

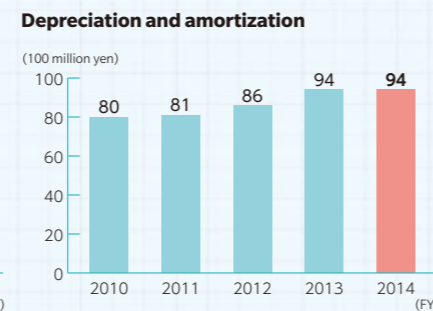
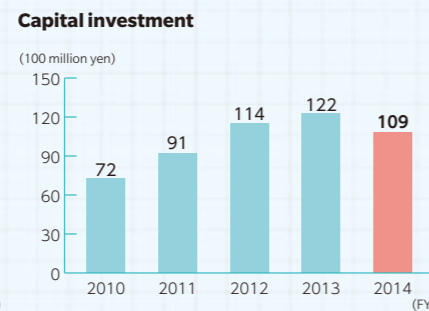
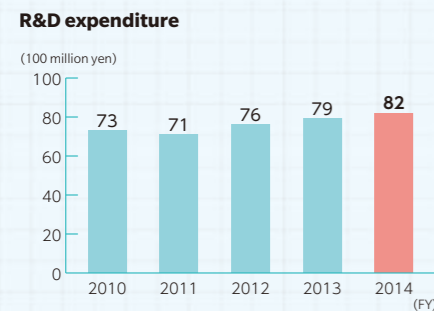
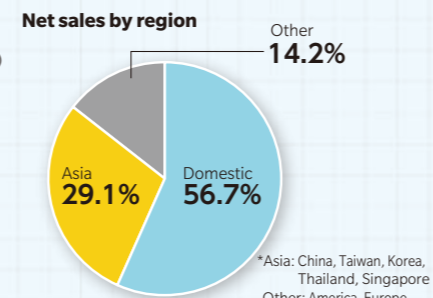
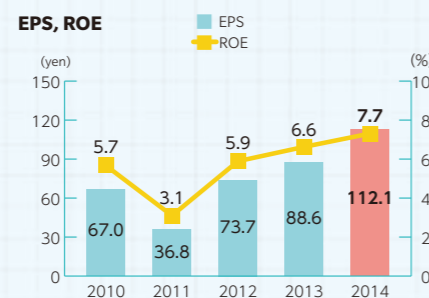
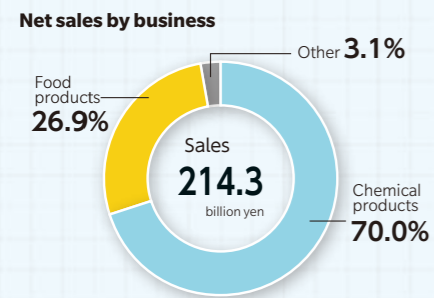
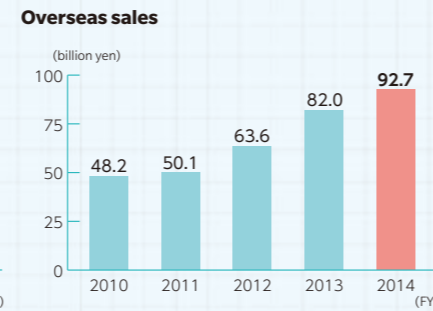
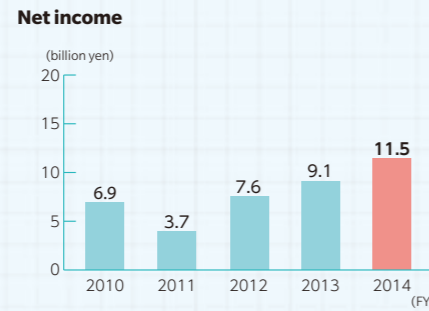
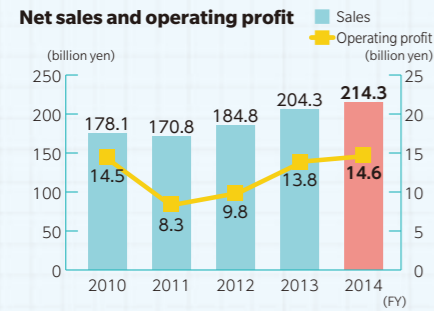


CORPORATE SOCIAL RESPONSIBILITY

# CSR REPORT 2015



## Financial Highlights (consolidated)



## Value that ADEKA distributed in Fiscal 2014

Stakeholders	Amount (100 million yen)	Summary
Shareholders	25	Dividends
Employees	72	Salaries and bonuses, welfare benefits, etc.
Administrative agencies	40	Taxes and dues
Creditors	4	Interest
Local community	2	Donations, etc.
Environment	18	Environmental conservation costs
Corporation (ADEKA)	91	Retained earnings

## 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 2015 provides a focused report on matters of particular significance from amongst the numerous initiatives that we undertook in fiscal 2014.

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

2014 Fiscal Year ended March 31, 2015

\*Some parts of this report refer to recent activities taking place in fiscal 2015.

## Reference Guidelines

*Environmental Reporting Guidelines (Fiscal Year 2012 Version) of the Japan Ministry of the Environment*  
*Japanese Standards Association ISO 26000:2010 Guidance on social responsibility*  
*This report contains information on the standard disclosure items from the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI).*

Published: July 2015

Next publication date: July 2016

Please refer to the ADEKA Group PC site (The following information)

CSR <http://www.adeka.co.jp/csr/en/index.html>

IR <http://www.adeka.co.jp/en/ir/index.html>

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## Corporate Profile (as of March 31, 2015)

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 : 3,099 (consolidated)

Business: Chemicals, Foods, and Other business

## Commitment of Our Top Management

### Looking Back on Fiscal 2014, and Aspiring Toward New Goals

The ADEKA Group aspires toward the goal of becoming a *Good Company* that generates net sales of 300 billion yen by fiscal 2016 (Mid-to Long-Term Vision), which marks the 100th anniversary of the company's establishment, and is working toward achieving the goals set out in our Mid-Term Management Plan "STEP 3000."

In fiscal 2014, which was the final year of the plan, we fought an uphill battle due to rising costs in the domestic foods business as a result of yen appreciation. However, the performance of our chemicals business improved, particularly in our overseas operations. This contributed to our success in achieving another historic high in consolidated sales, and generated both sales and profit growth for the third year running.

Although we did not reach the net sales and operating profit targets established in the Mid-term Management Plan, a comparison of our performance in fiscal 2011 with that of the final year of the Mid-Term Management Plan (fiscal 2014) shows that net sales had increased by approximately 25%, while operating profit had grown by approximately 76%. We also achieved a 40% overseas sales ratio, one year ahead of our target achievement date. In light of these results, the ADEKA Group formulated a new Mid-term Management Plan for the three-year period beginning from fiscal 2015, titled STEP 3000 – II — Creating "a Good Company"—. We will continue to tackle the challenge of achieving our goal of becoming a *Good Company* that generates net sales of 300 billion yen.

### Taking Up the Challenge of Achieving Sustainable Growth by Building a Win-Win Relationship with Society

Our aim of becoming a *Good Company* that generates net sales of 300 billion yen does not focus solely on the quantitative target, but also encompasses the creation of social value, characteristic of ADEKA, that contributes to enriching the lives of people through human resources and technology both in Japan and overseas. In other words, we seek to become a corporation that plays a truly useful role in society, and which aims to achieve sustainable growth alongside that society. To that end, continuous reform and innovation, as well as the courage and spirit of challenge that drive them forward, are indispensable elements.

ADEKA, where we are now approaching the 100th anniversary of our founding, brought about the successful innovation of the domestic production of caustic soda, of which Japan had faced a shortage following World War I. Thereafter, it continued to make advances in business innovation by utilizing the hydrogen produced in the caustic soda manufacturing process to produce edible oils and fats. As a unique company with our core businesses in the chemicals and foods, we have always provided our customers with exceptional products and technology.

Our driving force is the passion for *monozukuri* and the spirit of challenge that we have carried with us to the present day. Today, the ADEKA Group has established a new vector for creating even greater social value globally, and is formulating measures to open up new avenues into the future, even beyond the 100th anniversary of our founding.

### Bringing out the "ADEKA rashisa" Toward Becoming a Warm, Global, and Good Company

Needless to say, the driving force behind ADEKA's ability to open up new avenues into the future is the capability of each individual employee.

My expectations are for the employees to inherit ADEKA's traditions, bring out the "ADEKA rashisa", and take greater proactive action without fear of failure. I believe that a corporate culture that exudes personal warmth, and where employees advise, encourage, and support one another to take up bold challenges is one of the strengths of ADEKA that has remained unchanged to this day.

Going forward, the ADEKA Group will pick up speed in our globalization efforts with the aim of achieving an overseas sales ratio of more than 50%. However, in order to create social value in all regions of the world, we believe that it is important to develop global human resources, including employees at our overseas bases, and to create a vibrant corporate culture where diversity is respected. We also recognize the need to promote localization in the truest sense of the word.

ADEKA takes a sincere stance in listening to the views of all our stakeholders, and earnestly tackles problems confronting society with the aim of becoming a warm, global, and a *Good Company*.

In anticipation of a future even beyond the 100th anniversary of our founding, we aim to work hand-in-hand with all our stakeholders to bring out the "ADEKA rashisa" and create even greater social value.

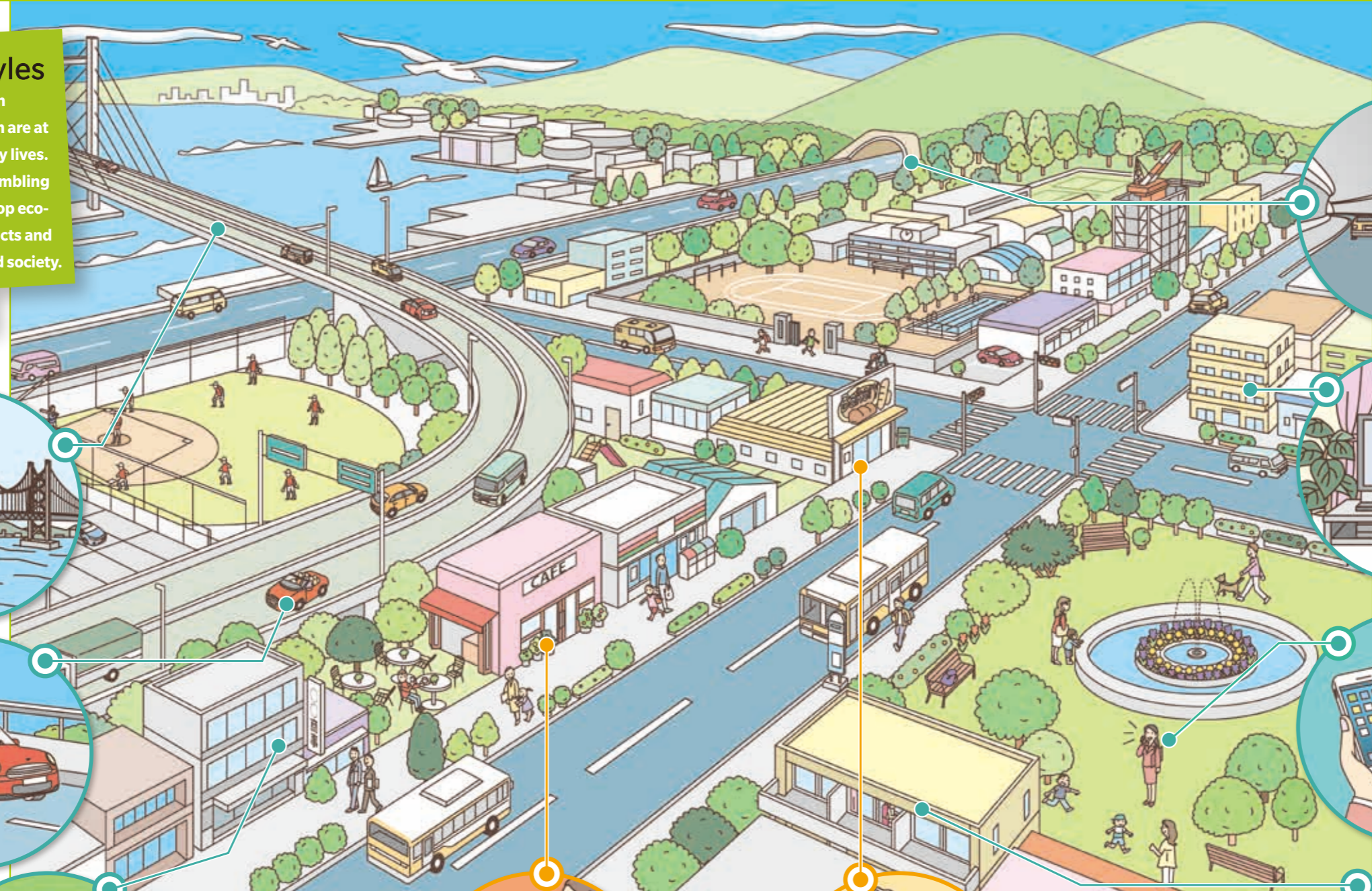


Akio Kohri, Representative Director and President



## 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.



### Building infrastructure that is stronger and more robust

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

### 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

### For healthy lives

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

### On your favorite bread

**Margarine, shortenings, etc.**  
Making baked goods fluffy and moist

### In delicious desserts too

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

### Used as paint for construction and civil engineering

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

### On your cherished cars

**Polymer additives**  
Reducing the weight of vehicles  
**Lubricant additives**  
Improving Fuel Efficiency and Reducing CO<sub>2</sub> Emissions

### 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.

## Chemicals

### 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.

### 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 safety.

### 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.

Semiconductor materials  
Light curing resins  
Flat panel display materials  
Circuit materials

Polymer additives  
Surfactants  
Lubricant additives  
Epoxy resins, Urethane resins

Propylene glycol  
Hydrogen peroxide  
Water swelling sealing materials

## Foods

Guided by our brand slogan, "The Delicious Taste You can Rely On," ADEKA is engaged in the development of food ingredients that are constantly at the forefront of the industry. We provide processed oil and fats as well as processed foods to manufacturers of bread, confectionery, and pastry, and contribute to the realization of a safe and reassuring dietary life.

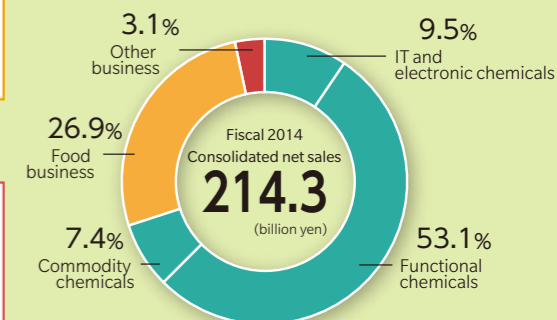
## Other

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.

Margarine, Shortenings  
Frying oils and fats  
Whipping cream

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.

- Chemicals Business
- Foods Business
- Other Business

## Office

- Head Office
- Osaka Main Branch
- Nagoya Branch
- Fukuoka Branch
- Sapporo Regional Office
- 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 / South America

- AMFINE CHEMICAL CORP.
- AM STABILIZERS CORP.
- ADEKA USA CORP.
- ADEKA BRASIL LTDA.

### Europe

- ADEKA EUROPE GmbH
- ADEKA PALMAROLE SAS

### Asia / Middle East

- ADEKA (SHANGHAI) CO., LTD.
- ADEKA FINE CHEMICAL (SHANGHAI) CO., LTD.
- ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD.
- ADEKA FOODS (CHANGSHU) CO., LTD.
- KUKDO CHEMICAL (KUNSHAN) CO., LTD.
- CHANG CHIANG CHEMICAL (SHANGHAI) CO., LTD.
- CHANG CHIANG CHEMICAL CO., LTD.
- ADEKA FINE CHEMICAL TAIWAN CORP.
- ADEKA KOREA CORP.
- ADEKA (SINGAPORE) PTE. LTD.
- ADEKA (ASIA) PTE. LTD.
- FELDA IFFCO OIL PRODUCTS SDN.BHD.
- ADEKA FOODS (ASIA) SDN.BHD.
- ADEKA FINE CHEMICAL (THAILAND) CO., LTD.
- ADEKA INDIA PVT. LTD.
- ADEKA AL GHURAIR ADDITIVES LLC

## Acquisition of Management System Certification (as of the End of July 2015)

Management System	domestic sites	Domestic affiliated companies	Overseas affiliated companies
ISO 14001 (Environmental Management System)	Kashima, Kashima West, Chiba, Mie, Fuji, Akashi, Soma	OXIRAN CHEMICAL, TOKYO ENVIRONMENTAL MEASUREMENT CENTER	AMFINE CHEMICAL, ADEKA FINE CHEMICAL (CHANGSHU), ADEKA FOODS (CHANGSHU), ADEKA FINE CHEMICAL TAIWAN, ADEKA KOREA, ADEKA FINE CHEMICAL (THAILAND)
OHSAS 18001 (Occupational Health and Safety Management System)	Kashima, Kashima West, Chiba, Mie, Fuji, Akashi, Soma	—	ADEKA PALMAROLE, ADEKA FOODS (CHANGSHU), ADEKA FINE CHEMICAL TAIWAN
FSSC 22000 (Food Safety Management System)	Kashima, Kashima West, Akashi	—	—
ISO 22000 (Food Safety Management System)	—	ADEKA FINE FOODS	ADEKA FOODS (CHANGSHU)
HACCP® (Hazard Analysis and Critical Control Point)	Kashima, Kashima West	ADEKA FINE FOODS	ADEKA FOODS (ASIA)
ISO 22301 (Business Continuity Management System)	Head Office, Soma	—	ADEKA FINE CHEMICAL TAIWAN
ISO 9001 (Quality Management System)	Kashima, Kashima West, Chiba, Mie, Fuji, Soma	ADEKA CLEAN AID, ADEKA ENGINEERING & CONSTRUCTION, OXIRAN CHEMICAL, UEHARA FOODS INDUSTRY, TOKYO ENVIRONMENTAL MEASUREMENT CENTER	AMFINE CHEMICAL, ADEKA FINE CHEMICAL (SHANGHAI), ADEKA FINE CHEMICAL (CHANGSHU), KUKDO CHEMICAL (KUNSHAN), ADEKA FINE CHEMICAL TAIWAN, ADEKA KOREA, ADEKA (SINGAPORE), FELDA IFFCO OIL PRODUCTS, ADEKA FINE CHEMICAL (THAILAND)
IMS (Integrated Management System)	Kashima, Kashima West, Chiba, Fuji, Soma	—	—
ISO 14064-1 (Standards for the computation, reporting, and validation of the volume of greenhouse gas emissions and reduction)	—	—	ADEKA FINE CHEMICAL TAIWAN

\*HACCP: A method for ensuring product safety through the analysis of hazards that may arise in the food production process, establishment of critical control points that contribute to the prevention of the occurrence of these hazards, and continuous monitoring and recording.

## 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 (Started the food business)

**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
- Established ADEKA FOODS (ASIA) SDN. BHD.
- Established ADEKA BRASIL LTDA.

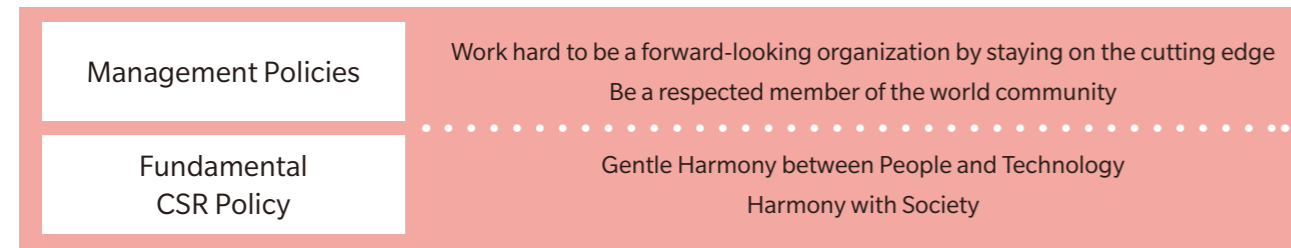
**2013** Completed new research center at the Urawa R&D Laboratory

**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
- Completion of Processed Oil and Fats Plant for ADEKA FOODS (ASIA) in Malaysia

**2015** Start of Mid-Term Management Plan "STEP 3000 - II"

# Management Policies and CSR of the ADEKA Group



## ADEKA Group's CSR

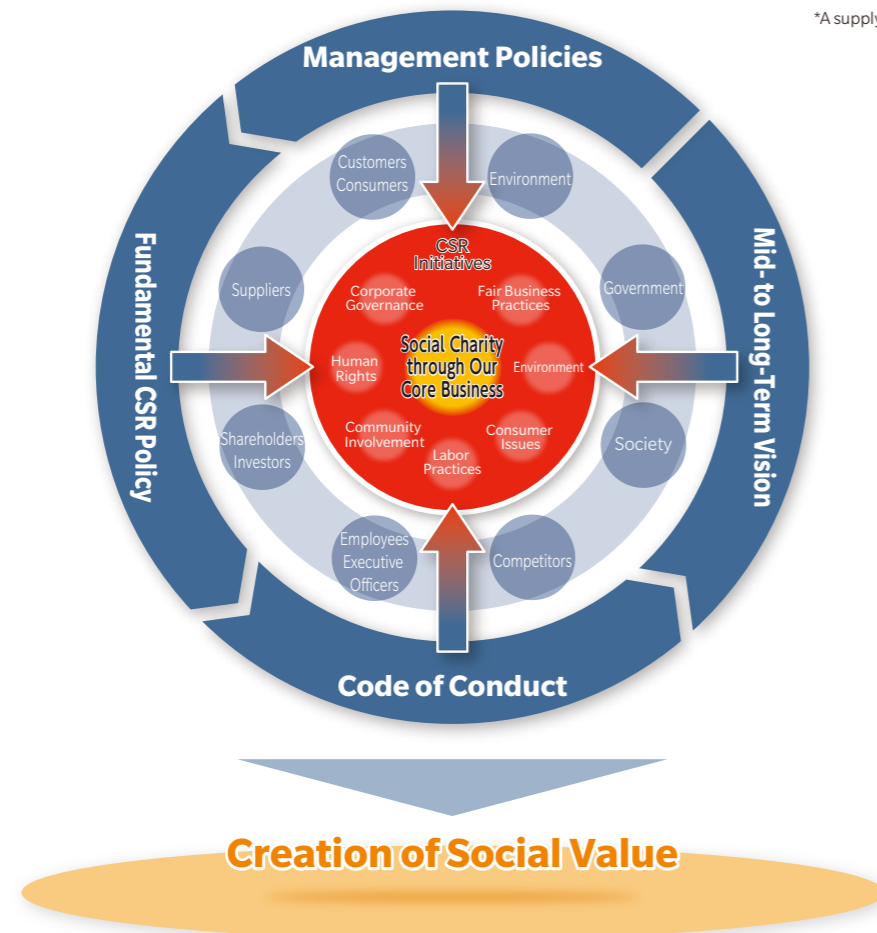
The ADEKA Group is expanding its corporate activities globally through its unique, world-class technological prowess. In an intensely competitive environment with a demand for quality products and services that are more advanced than before, the operating environment surrounding the ADEKA Group is constantly undergoing changes in trends, in addition to factors such as heightening global concern for environmental conservation and product safety as well as tighter regulations. In tandem with these changes, the boundaries of the social responsibility that we have to fulfill are also constantly and continuously changing and expanding.

The management policy of the ADEKA Group is to maintain an aggressive stance, accurately grasp such changes, and respond to them in accordance with global standards.

Corporate activities influence our stakeholders in various ways throughout the supply chain, from the upstream to the downstream. In light of this, we will strive to play a useful role in improving the lives of people by harnessing the technological prowess unique to ADEKA, while at the same time giving consideration to the Earth's environment (Gentle harmony between people and technology = Social contribution through our business).

Furthermore, in cooperation with our various stakeholders (harmony with society), we seek to optimize (maximize) the social value created through our value chain\* by maintaining corporate activities that enhance positive impact and mitigate negative impact in addition to contributing to the creation of a sustainable society.

\*A supply chain that creates social value



## Boundaries and Key Issues for CSR, Set Forth in the ADEKA Group Code of Conduct

The ADEKA Group seeks to optimize the social value created through our value chain, based on the ADEKA Group Code of Conduct.

ADEKA Group Code of Conduct	Value Chain and Stakeholders			
	Procurement of Raw Materials (Suppliers)	ADEKA Group	Logistics (Partner Companies)	Customers End-Users Local community/society, Earth's environment, etc.
1. Abide by laws and regulations in all corporate activities and conduct fair business in an ethical manner	<input type="checkbox"/> 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.	Establishment of Corporate Governance, Compliance Systems, and Risk Management (p37 – 38)		
2. Provide safe and high quality products and services	<input type="checkbox"/> We develop and provide products and services that truly contribute to the construction of a sound and wealthy society. <input type="checkbox"/> We provide products and services of safety and high quality, giving first priority to customers' satisfaction and reassurance.	Developing New Business Areas and Expanding Business Scale and Domains (p13) / Ensuring Traceability (p15 – 16) / Quality Management (p21)		
3. Be serious about preserving the environment	<input type="checkbox"/> We acknowledge that voluntary initiatives to environmental efforts are essential for existence and activities of enterprise. We give special consideration to preservation of the environment by endeavoring to develop and provide environmentally friendly products intended for easy recycling and aggressively tackling conservation of resources including energy and waste minimization.	Promoting Environmental Management (p23 – 26)		
4. Open and friendly communication and activities, to serve the interest of society and to maintain its trust	<input type="checkbox"/> We want to be a business enjoying broad and deep-seated trust from the public by emphasizing dialogue with it. <input type="checkbox"/> As a good corporate citizen, 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 the development of communities in various aspects, by participating in community activities, disaster relief services and other volunteerism.	Fostering Future Generations, Social Welfare Activities, and Communication with Local Communities (p33 – 34)		
5. Foster corporate transparency by truthfully and accurately disclosing information regarding our business activities	<input type="checkbox"/> We disclose business information that is useful for society in a timely and appropriate manner. <input type="checkbox"/> We fully acknowledge the key relevance of the protection of confidential information, including the privacy of our customers, and deal with such confidential information as customers' data stored with us in accordance with the provisions of internal rules and in an appropriate and rigorous way.	Provision of Product Information (p21) / IR Activities (p32) / Enhancing Information Security (p38)		
6. Maintain a safe and healthy working environment for our employees	<input type="checkbox"/> We secure a safe and healthy working environment for our employees. <input type="checkbox"/> We respect the human rights of employees, give them impartial and equal treatment, and realize their comfortable and wealthy life, thereby building a vibrant company that appreciates their uniqueness and initiatives.	Promoting Diversity, Developing Global Human Resources, and Promoting Work-Life Balance (p27 – 30) / Occupational Health and Safety (p31)		
7. Do not tolerate anti-social forces or behavior	<input type="checkbox"/> We totally exclude relationships with any anti-social forces and groups which jeopardize the order and security of civil society and put undue pressure on business activities, and firmly reject their unreasonable demands aggressively.	Corporate Governance (p37)		
8. Strive to achieve sustainable growth and success for the benefit of our employees, shareholders, and society	<input type="checkbox"/> We seek harmonization as well as co-existence and co-prosperity with society, and strive for sound and vital development and an increase in profitability through fair and transparent management and global and innovative business activities, thereby realizing an appropriate return of our profits to society.	Optimizing the Value Chain in Consideration of the Interests of the Stakeholders		

ADEKA Group Code of Conduct  
<http://www.adeka.co.jp/en/company/action.html>

# Mid-Term Management Plan STEP 3000 - II –Creating "a Good Company"–

## Formulation of Our Mid- to Long-term Vision: ADEKA VISION 2025

### ADEKA VISION 2025

A global company that creates value for tomorrow and contributes to affluent lifestyles through innovative technologies

#### Envisioned for 2025

With the aim of becoming a global company that contributes to society (and affluent lifestyles) through our business while expanding a wide range of businesses, including the chemicals and food businesses, across the world and taking the global lead in technology as a manufacturer, we formulated the new ADEKA VISION 2025 as a part of the Mid-Term Management Plan, "STEP 3000 - II," for fiscal 2015 - 2017.

## Mid-Term Management Plan: STEP 3000 - II (Fiscal 2015 - 2017)

In anticipation of the 100th anniversary of our founding in fiscal 2016 (January 2017), and in line with the three basic strategies set forth in our previous Mid-Term Management Plan STEP 3000, the ADEKA Group has established the target of achieving 300 billion yen in net sales and 24 billion yen in operating profits for fiscal 2017, in order to realize our goal of becoming a *Good Company* that generates net sales of 300 billion yen.

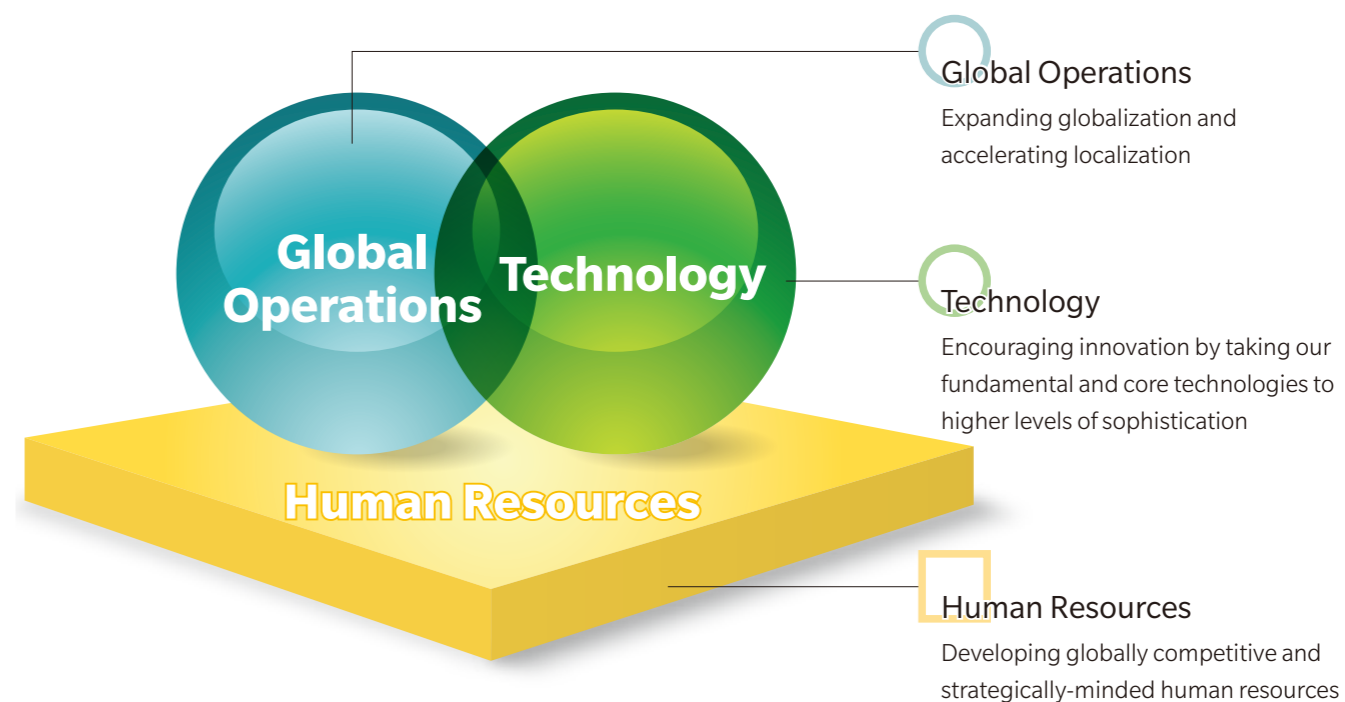
Plan name	STEP 3000 - II — Creating "a Good Company" —
Period	Fiscal 2015 - 2017 (three years)
Positioning	<ul style="list-style-type: none"> <li>• A plan that will ensure we create a <i>Good Company</i> with annual sales of 300 billion yen</li> <li>• The first three years toward achievement of ADEKA VISION 2025</li> </ul>

## Basic Strategy of STEP 3000 - II

<p><b>1</b> Expand business with a special focus on core businesses</p> <p>Aim to expand business, with a focus on the core businesses of polymer additives and foods, in order to ensure the achievement of 300 billion yen in net sales</p>	<p><b>2</b> Develop a third core business (Information and electronics)</p> <p>Aim to develop the Information and electronics area into a third core business to support the expansion of profits</p>	<p><b>3</b> Create new businesses and expand into other fields</p> <p>Utilize M&amp;A and alliances as an effective managerial methods for creating new businesses and expanding business in terms of size and area at an accelerated pace</p> <p>New businesses (areas of particular focus)</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Life sciences</li> <li><input type="checkbox"/> Environmental energy</li> </ul>
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## Three Fundamental Policies

In STEP 3000 - II we have set forth the goal of promoting the three fundamental strategies: expanding business scale with a focus on the core businesses; developing the third core business; and developing new businesses while expanding business scale and domains. At the same time, we will inject effort into our three fundamental policies of global operations, technology, and human resources.



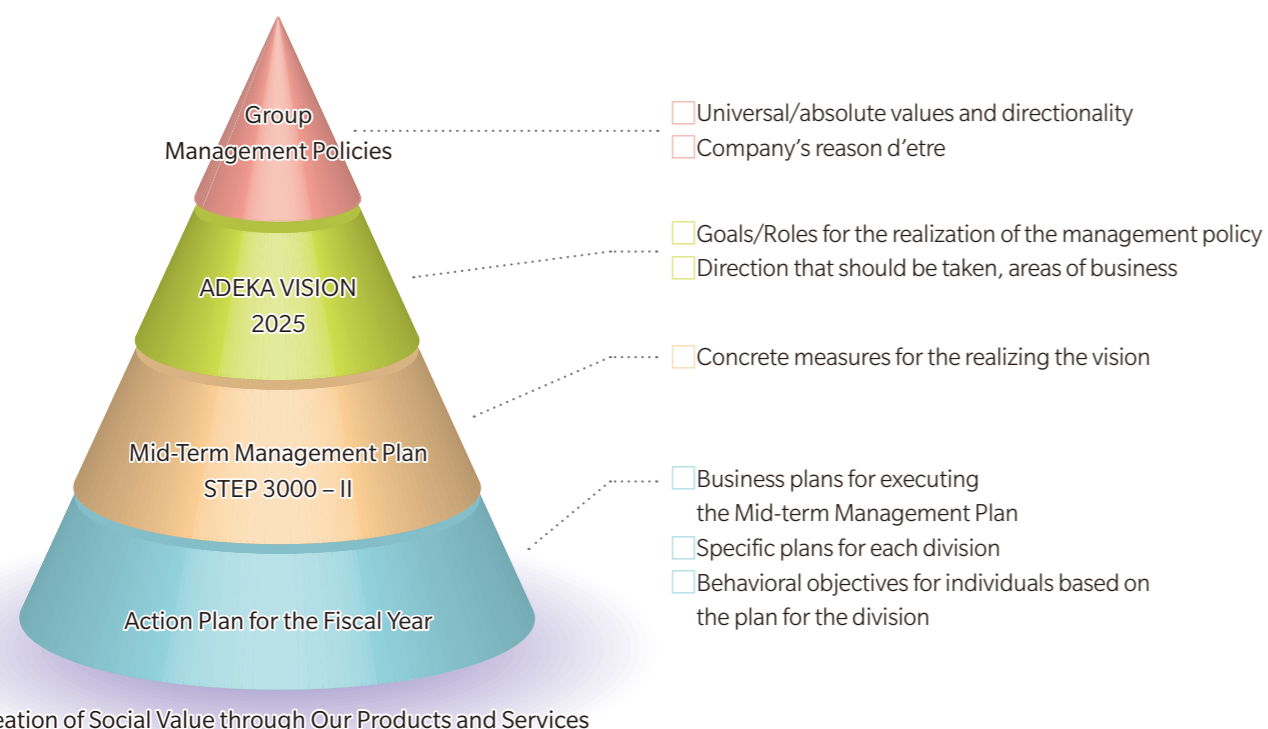
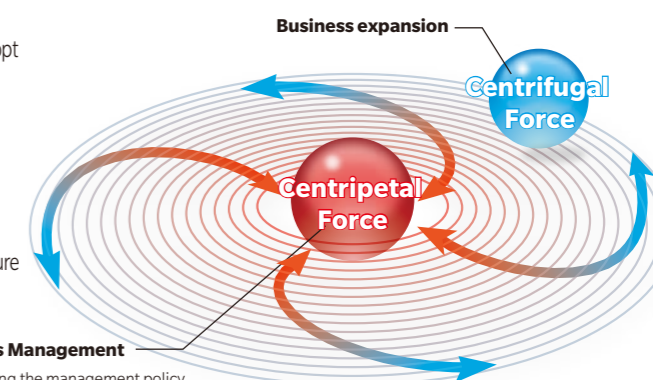
## Strengthening Global Business Management

In order to strengthen the increasingly complex management of the ADEKA Group in tandem with the growth of our business, we will adopt a two-pronged approach of an expansion strategy (centrifugal force) and the strengthening of business management (centripetal force).

The strengthening of business management places particular emphasis on strengthening organizational capability and the continuation of corporate activities, and will involve initiatives to ensure the thorough dissemination and understanding of the management policies as well as the strengthening of compliance.

**Business Management**

- ◇ Spreading the management policy
- ◇ Reinforcement of compliance, etc.





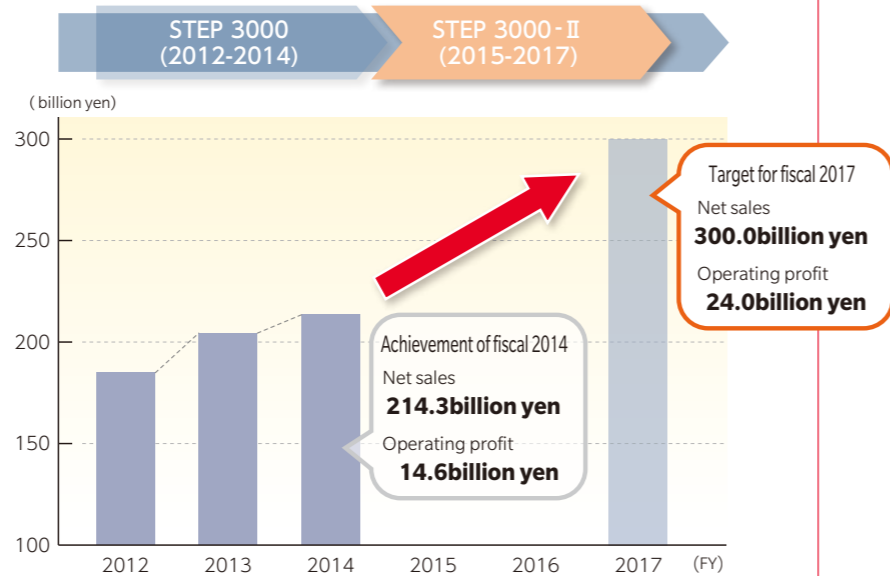
Trends in Consolidated Performance

(billion yen)

	Fiscal 2014 (Results)	Fiscal 2017 (Targets)
sales	214.3	300.0
operating profit	14.6	24.0
overseas sales	92.7	150.0
overseas sales ratio	43%	50%

Management Indexes

- Operating margin: 8%
- Accumulated investment : approximately 70 billion yen
- Planning to make capital investments worth about 40 billion yen over three years
  - Planning to allocate about 30 billion yen for M&A in order to expand into other fields and create new businesses



Business Strategy

**Aim to acquire the top market share globally in strategic sectors toward the development of a third core business**

IT and Electronics chemicals

Electronic materials

Achieve further expansion of business domains in areas such as DRAM/NAND memory and logic semiconductors

IT related chemicals

Expand the optical material sector and inject effort into the development of new chemicals to be used in the manufacturing processes for displays and semiconductors

**Further acceleration in overseas expansion efforts**

Functional chemicals

Polymer additives

Develop new products that will lead the market and establish the company as a comprehensive polymer additive manufacturer

Surfactants

Inject effort into expanding the sales of lubricants, cosmetic raw materials, water-based paint additives, etc.

Functional polymers

Strengthen revenue base with a focus on strategic products such as water-based urethane

**Strengthening the foundations and breaking into new sectors**

Commodity chemicals

Peroxygen chemicals and engineering chemicals

Secure stable profits by reducing costs, and at the same time inject effort into the development of high value-added products

Industrial materials

Establish a sales base in Japan and overseas while at the same time aiming to improve business performance by setting our sights on collaboration with other companies

**Refine our processing technology for oils and fats and contribute to the realization of a good dietary life in Asia**

Food products

Strengthening our domestic base

In addition to expanding sales for processed oil and fats, implement measures to reduce costs, such as by integrating product types, in order to increase profits

Acceleration in overseas expansion efforts

Aim to expand the scale of our overseas operations by promoting sales and developing products that meet the needs and tastes of local consumers

**Put effort into the fusion of in-house technology as well as the utilization of external resources, and accelerate the creation of new businesses**

New businesses

Life sciences

Develop new products by harnessing our unique technology in the medical and healthcare sectors, and develop new businesses

Environmental energy

Promote the creation of new businesses based on these keywords: low environmental burden, power generation, power storage, and power electronics

Mid-Term Management Plan for Fiscal 2012 – 2014  
Looking Back on “STEP 3000”

Achieving consolidated sales of 200 billion yen for the first time in ADEKA Group’s history!

A historical high in consolidated sales! (Fiscal 2014)

In the previous Mid-Term Management Plan, “STEP 3000,” we undertook aggressive investment activities toward developing new products and expanding our overseas operations in addition to driving forward efforts on the selection and concentration of businesses, including pulling out of investments from three joint venture companies in Kashima and withdrawing from the electrolyte business sector.

	Fiscal 2011	Fiscal 2012 (First Year)	Fiscal 2013 (Second Year)	Fiscal 2014 (Final Year)	Initial Plan
Consolidated sales	170.8	184.8	204.3	214.3	240.0
operating profit	8.3	9.8	13.8	14.6	17.0
Operating ratio	4.9%	5.3%	6.8%	6.8%	7%
overseas sales ratio	29.3%	34.4%	40.2%	43.3%	40%

Achieved overseas sales ratio of 40%!

Review of Our Initiatives

New Product Development

**Completion of the construction of a new research building at the Urawa R&D Laboratory (January 2013)**

Enhancement of our function as a global technical center for our internationally-expanding polymer additive business

**Development of high dielectric materials for use in the production of next-generation semiconductor memory (February 2013)**

Development a new precursor for the 2x nm generation DRAM

**Enhancement of R&D center in Korea (April 2013)**

Construction of systems that enable speedy research and development through the establishment of a cutting-edge semiconductor evaluation facility and an increase in personnel numbers

**New establishment of a low-chlorine epoxy resin facility (May 2014)**

New establishment of an epoxy resin plant for electric materials at the Chiba Plant in response to market demand for more refined electronic materials and lower levels of chlorination

**New establishment of a testing facility for medical materials at the Kashima Plant-West (June 2014)**

Introduction of facilities that enable the provision of samples for clinical tests as well as the implementation of safety tests for medical materials

**Support for the establishment of an endowed research department at Tokyo Medical and Dental University (November 2014)**

Establishment of an endowed research program, the “Research Program for Decellularization Technology Materials for Regenerative Medicine”



URAWA R&D Laboratory

Overseas Businesses

**AM STABILIZERS [United States]**

May 2012: Established (manufacture and sales of polymer additives)

**ADEKA KOREA [Korea]**

October 2012: Enhancement production system for semiconductor materials

**ADEKA FOODS (ASIA) [Malaysia]**

December 2012: Established (manufacture and sales of margarine, shortenings, etc.)

September 2014: Completion of new plant

November 2014: Obtains Halal certification



AM STABILIZERS

**ADEKA BRASIL [Brazil]**

April 2013: Start of Business (sales assistance and market development of ADEKA Group products)

**ADEKA FINE CHEMICAL (CHANGSHU) [China]**

June 2013: Completion of high-performance antioxidant plant

**ADEKA FINE CHEMICAL TAIWAN [Taiwan]**

October 2013: Taipei Office established (sales of ADEKA Group products)

**ADEKA AL GHURAIR ADDITIVES [UAE]**

November 2014: Enhancement production facilities for one-pack granule additives for polyolefin



ADEKA FOODS (ASIA)



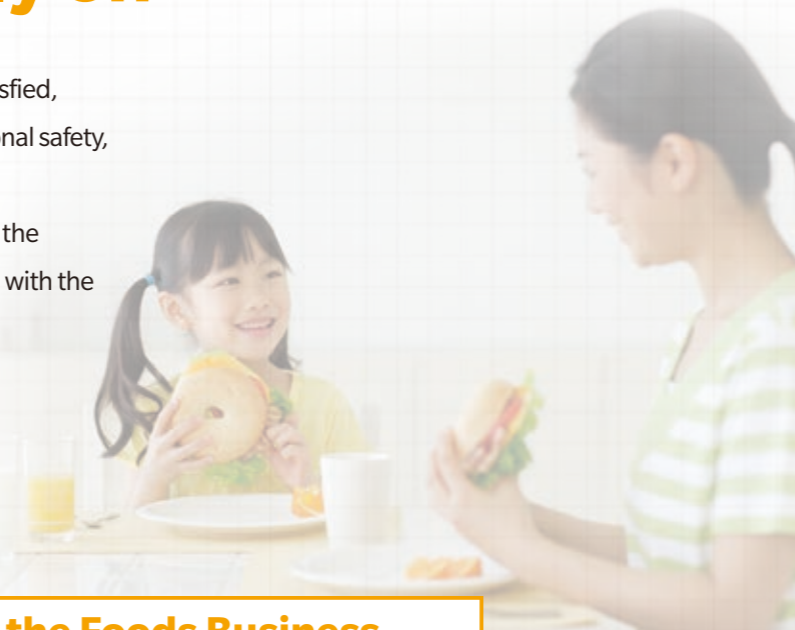
Special Feature

# Aiming to Be the Delicious Taste You can Rely on

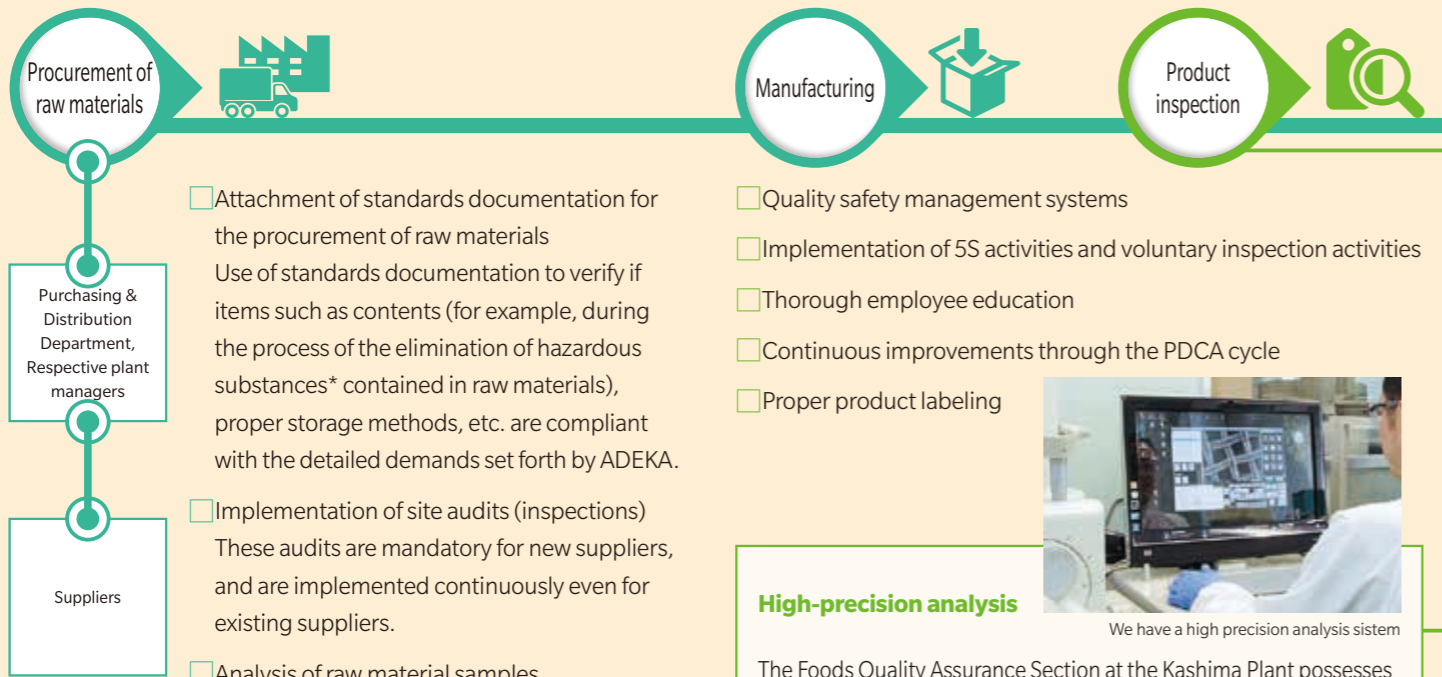


In order to create products with which customers are truly satisfied, ADEKA undertakes activities in four areas of safety—occupational safety, quality safety, equipment safety, and environmental safety.

This section features examples of initiatives put in place at the Kashima Plant to manage quality safety in the Foods Business, with the aim of continuing to be “The Delicious Taste You can Rely On.”



## Quality Safety Supply Chain for the Foods Business



### High-precision analysis



We have a high precision analysis system

The Foods Quality Assurance Section at the Kashima Plant possesses advanced analytical instruments that enable the highly accurate identification of contaminants through a registered database not only of raw materials, but also of each and every material that is used to make the small component parts of production machinery.

Therefore, when product inquiries are received from customers in Japan and overseas, the Kashima Plant conducts an accurate analysis, distributes standard samples to each plant, and unifies the quantitative analysis values as part of its role as the “hub for food analysis.”

\*Hazardous substances contained in raw materials: Food allergens, bacteria that may cause food poisoning, mold, carcinogenic substances, radioactive substances, heavy metals, etc.

## 1. ADEKA's Quality Safety Management System

ADEKA has established a company-wide quality safety management system, headed by the quality management and PL meetings and based on the Product Liability Management Regulations. The Environment Safety & Quality Assurance Department serves as the contact point for responding to customers, fulfills the functions of monitoring and checking on the Production Department, and is responsible for formulating the relevant regulations, building an overall system, and conducting periodic audits. In doing so, it forms part of the framework for ensuring that production activities reflect the “ADEKA standards.”

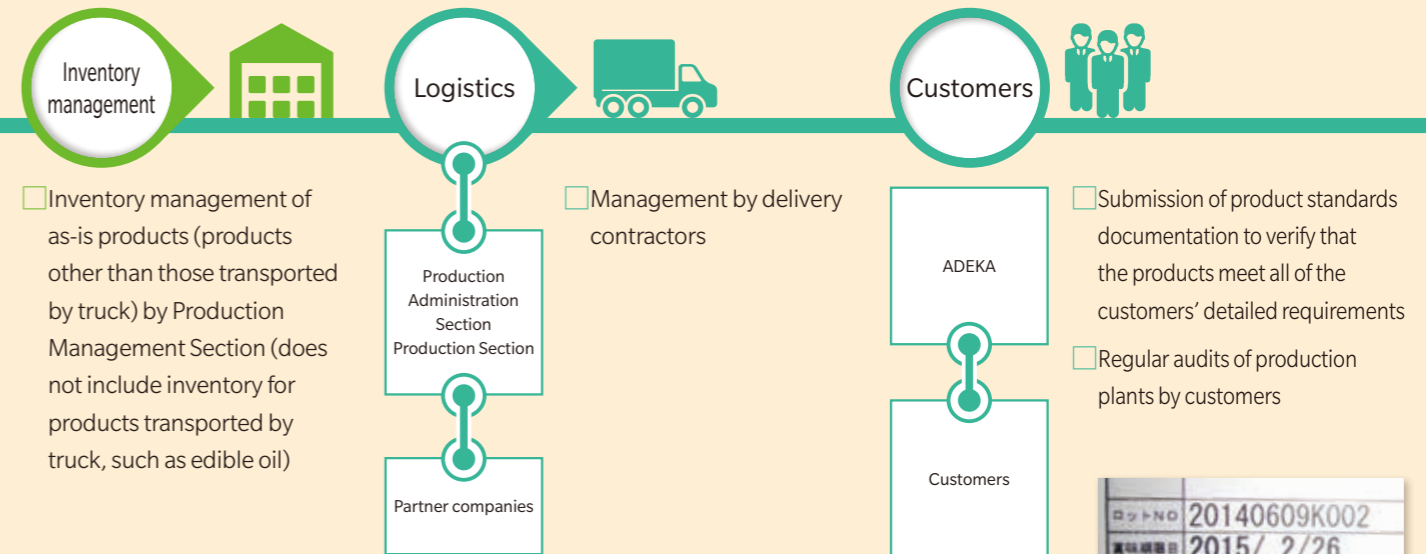
Quality safety management system for the Foods Business



## 2. Enhancing Supply Chain Management

ADEKA requires our employees to approach their work and responsibilities with a sense of ownership. Similarly, in the production plants the fundamental approach is for the representatives of each plant to personally visit external partners, such as suppliers and distributors, in order to conduct site audits and other matters.

At the Kashima Plant, a Foods Quality Assurance Section has been established as an organization under the direct jurisdiction of the plant manager. This Section is responsible for monitoring and controlling quality safety, and strives to maintain and improve product safety by putting forth proposals and recommendations to the Production Department without being bound by the limitations of the production plan.



## 3. Ensuring Traceability

ADEKA's Foods Business maintains records in an integrated fashion for information pertaining to suppliers, customers, and production methods for all the processes from procurement to sales. This is part of a traceability system that has been introduced in order to enable swift investigation of causes of error and the subsequent response by tracing the history of events surrounding the product should any problems arise. The system is able to obtain information on the production plant, date of manufacture, and raw materials used by tracking QR codes and lot numbers pasted onto the products. In addition, we are also putting effort into providing stable supplies by linking the traceability system to the inventory management system.

Ensuring traceability is a means of enhancing the trust of our customers. As such, we are working to raise levels of traceability by conducting regular training at the Kashima Plant.



Management through QR code  
Labels with QR codes are pasted onto all raw materials. All processes, from the receipt of raw materials to production and shipping, are managed through the traceability system using the QR codes.





**Special Feature** **Aiming to Be the Delicious Taste You can Rely on**

# Acquisition of FSSC 22000 Certification, and Promotion of Food Safety Management Activities! Initiatives of the Kashima Plant to Maintain and Improve Food Safety and Food Defense

Companies engaged in the production of food products have a responsibility to put in all possible corporate efforts across the supply chain in order to ensure food safety (providing products that do not cause any harm to the health of consumers). It is also vital to take steps to strengthen food defense, which are defense measures against the growing social problem of food terrorism.

The food safety management system “FSSC 22000” is an international certification system that covers both food safety and food defense. In 2011, ADEKA became the first company in the oil and fats processing industry to receive certification for Kashima Plant-West under the system. This was followed by the acquisition of the same certification by the Kashima Plant (December 2014) and the Akashi Plant (March 2015). We aim to maintain and further improve our safety and health management system.

## Thorough measures to identify risks and contain them within our expectations

Hazardous factors that may potentially cause damage to the health of consumers include biological hazards, physical hazards, and chemical hazards\*. Ensuring food safety through the food safety management system involves conducting detailed risk analysis across all processes from the receipt of raw materials to shipping, putting in place the relevant measures, and providing a stable supply of safe and secure products to customers and consumers.

Food defense refers to the prevention of food terrorism, which includes unexpected attacks with malicious intentions. Efforts related to food defense and food terrorism both focus on taking thorough measures to identify risks, establish the relevant measures, and contain the risks within the scope of expectations.

\*Biological hazards: Bacteria, viruses, parasites, etc.  
Physical hazards: Metals, glass, plastic, etc.  
Chemical hazards: Allergens, detergents, disinfectant, agricultural chemicals, etc.

### ADEKA Kashima Plant

In 1970, the Chemicals Business commenced operations in the eastern and western districts of the Kashima Industrial Zone in Ibaraki Prefecture. The integrated production line for margarine commenced operation in 1974, while the cream production line commenced operation in 1990. In 2002, the plant was the first in the oil and fats processing industry to acquire HACCP certification.

### Site area

Kashima Plant: 187,000 m<sup>2</sup>  
Kashima Plant-West: 100,000 m<sup>2</sup>

### Main products for the Food Business

Edible oils, Margarine, Shortenings, Whipping cream, Custard cream

### Number of employees(as of April 2015)

Entire plant: 236  
Partner companies: 251



## Food Safety and Health Management System at Kashima Plant

### FSSC 22000 (obtained in 2014)

The FSSC 22000 is the latest global standard for food safety management, established by the Global Food Safety Initiative (GFSI).

Based on the previous standard, ISO 22000, this new certification includes an additional requirement, “ISO/TS 22002-1,” which includes elements such as strict health management standards and food defense.

### Prerequisite program for general health management (PP)

This is a prerequisite program for the introduction of HACCP.

ADEKA has developed a health management environment that comprises a fundamental “hardware” aspect (facilities, equipment, etc.) and “software” aspect (employee education, etc.).

Every month employees voluntarily conduct inspections of the plant while applying the AIB standards\*, and identify any defects or points for improvement. In doing so, they eliminate potential hazards to the food products, and in particular promote the mitigation of contamination risk.

### 5S Activities

The 5S activities are an initiative that aims to cultivate the habit (*shitsuke*, meaning discipline) of establishing manuals and rules, sorting (*seiri*), straightening (*seiton*), and sanitizing (*seiso*), maintain a high level of standardization (*seketsu*).

The 5S activities involve everyone in the company. Activities that promote understanding and awareness among the participants and which develop the human resources indispensable for the achievement of quality safety are the basis for *monozukuri*. These activities form the roots of food safety and food defense.

### Four areas of safety

Four areas of safety have been established as important areas to be secured as the highest priority in plant management. These are occupational safety, quality safety, equipment safety, and environmental safety.

\*AIB standards: An integrated global standard established proprietarily by the American Institute of Baking (AIB) based on global laws and regulations pertaining to food safety and health.

### Main management systems/activities for areas other than food safety

- Quality ISO (ISO 9001: Obtained certification in 2002)
- Environmental ISO (ISO 14001: Obtained certification in 1998)
- Occupational safety (OHSAS 18001: Obtained certification in 2002)
- IMS (Integrated Management System: Obtained compliance in 2008)
- TPM (“Cross-Organization Production Maintenance and Production Management”: Obtained certification in 1995, 2004, 2007)

## Voice

### The acquisition of FSSC 22000 has developed into a plant-wide initiative

While the Kashima Plant had obtained HACCP certification, which formed the basis for the certification scheme known as “FSSC 22000,” the requirements for FSSC 22000 involved addressing even the finest details. Hence efforts to acquire FSSC 22000 became a massive task that had to be reviewed from scratch, touching even on procedures that everyone had already become familiar with under HACCP, such as “List of manufacturing processes (flow diagram)” ⇒ “On-site verification” ⇒ “Hazard analysis.”

Although the work of building the system was tackled by a cross-organizational food safety team, it eventually developed into a massive project that involved the entire Kashima Plant.

For example, on-site verification was carried out alongside site operation managers, and the opinions of the managers of each division and department were sought regarding the new procedures established to fulfill the certification requirements.

Various forms of cooperation, undertaken among many co-workers, all contributed to raising interest and deepening understanding about the new system.

Naotake Yasuda

Manager, Foods Quality Assurance Section, Administration Department, Kashima Plant





## Initiatives of the Kashima Plant to Maintain and Improve Food Safety and Food Defense

### Improvements Toward the Acquisition of FSSC 22000 Certification

ADEKA's food production plants have continued to undertake voluntary improvement activities by formulating their own annual plans based on the four areas of safety (quality safety).

While the results of inspections show that most of the items required for FSSC 22000 certification have been fulfilled, this section introduces some of the initiatives that are being implemented with the aim of achieving further improvements.



### Voice Putting in place measures to foster "on-site capabilities" in order to ensure the proper functioning of the new system

At the Kashima Plant, effort is being put into conducting voluntary inspection activities. In these activities, cross-organizational teams patrol the work sites of other divisions and departments and identify problematic areas. Every month a group comprising four to five members, including members from partner companies, conducts inspections, discusses its observations during a post-inspection opinion exchange session, and summarizes its findings in a report. In order to ensure that the management system functions properly, it is vital to continuously carry out improvements through the implementation of the PDCA cycle. Furthermore, in order to acquire FSSC 22000 certification, the plant must also fulfill the requirement of establishing an annual verification plan, and carry out verification and improvement activities based on this plan. The voluntary inspection is also an initiative that provides indirect support for such improvements.

Food safety and food defense are unified elements. For example, regardless of the extent to which we increase the number of monitoring cameras, they will be meaningless if an oversight in the work actually occurs. The key to ensuring that this new initiative functions effectively lies in arming each individual with the correct understanding and awareness. Hence we aim to continue to actively propose activities, such as the opinion exchange session, which foster on-site capabilities.



Norihiro Kawamukai  
Manager, Section-2, Food Production Department, Kashima Plant

#### 01 Preventing Cross-Contamination Setting up guide poles and rotating gates at hand-washing areas

Hand-washing areas have been designed with hygienically. The respective areas have been labeled with numbers to ensure that employees follow the procedures, moving from hand washing to the jet towel and alcohol disinfectant without having to touch anything with their hands. This facility had been in place from even before the FSSC 22000 certification. However, who have completed their hand-washing and dose not end is potential for cross-contamination, it prevents contamination by the one-way in a guide pole.



Hand-washing area where workers can wash their hands without touching anything



Guide poles and rotating gates

#### 02 Management of Material Procurement (Allergen-Containing Materials)/Prevention of Cross-Contamination Classifying racks according to raw materials that contain allergens and those that do not

Efforts are being made to prevent cross-contamination by classifying racks according to raw materials that contain allergens and those that do not. Stainless steel plates are used for the nameplates, thereby preventing contamination by paper and paper dust. In addition, spaces are secured beneath the racks to facilitate easy cleaning.



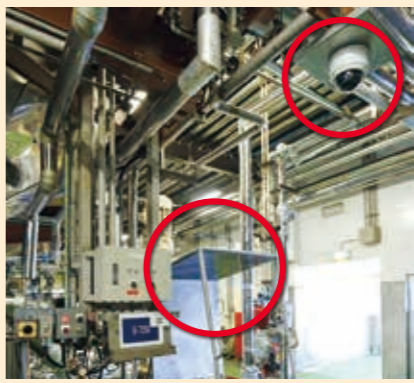
Switching from stickers to stainless steel plates



Securing spaces beneath the racks

#### 03 Equipment, Suitability Cleaning, and Maintenance (Preventing Contamination Originating from Facilities and Equipment) Installing covers, etc. in open locations, and setting up monitoring cameras

Although the mixing of large quantities of raw materials is carried out in a closed system controlled by computers, small quantities of raw materials are mixed by manually introducing them into the input ports provided for raw materials. Stainless steel covers are installed over such open areas in order to prevent contaminants from dropping in from above, while tunnel-style covers are installed over the cardboard box conveyor lines before the boxes are filled.



Installation of covers over the tops of raw material input ports, and setting up of monitoring cameras



Installing tunnel-style covers over cardboard box conveyor lines

In addition, monitoring cameras have been set up in all locations.

#### 04 Food Defense, Biovigilance\* and Bioterrorism Increasing the number of monitoring cameras as part of efforts to strengthen food defense

Monitoring cameras are set up in locations where there is a high risk of contamination. The videos taken by the cameras can be checked 24 hours a day on monitors set up in a separate room, and the data is saved in a physically locked hard disk, making it impossible to falsify the records



The hard disk is stored in a locked rack



Constant monitoring of the videos taken by the cameras

\*Biovigilance: Continuous monitoring against microbial contamination



# Product Safety Initiatives

## Message from the Representative

ADEKA takes an active stance in promoting improvement activities based on the foundation for 5S activities and the four areas of safety by promoting quality safety activities through management of the supply chain from raw materials to delivery, we provide the world with safe and high quality products that are trusted by our customers.

In fiscal 2014, with the aim of reducing the number of complaints and in-process defects in addition to promoting risk management and prevention of recurrence, we took steps in the Chemicals Business to establish a system for creating safety data sheets (SDS<sup>\*1</sup>) that are compliant with laws and regulations in other countries, and put effort into strengthening food defense and improving the traceability system in the Foods Business.



**Hiroaki Kondo**  
General Manager, Environment Safety & Quality Assurance Department

## Quality Safety Policy

Every year ADEKA formulates a Quality Safety Policy and strives to improve quality across all divisions and departments, including research and development, procurement, and manufacturing.

### Quality Safety Policy for Fiscal 2014

1. Promoting activities to eliminate complaints and in-process defects through risk management and prevention of recurrence
2. Preparing standards documentation for raw materials and products and strengthening the management of chemical substances
3. Strengthening food safety with an eye toward food defense, and strengthening countermeasures against acts of sabotage

## Initiatives for Fiscal 2014

### Initiatives of Quality Safety

ADEKA puts efforts into improving quality safety in line with the PDCA cycle and based on policies set forth by the Environmental Protection Division. The Environment Safety & Quality Assurance Department, which serves as the secretariat, conducts quality and PL audits within the respective divisions and departments for sales, production, research, and staff in order to check if quality safety measures and initiatives are being faithfully implemented. The results are then reported at the Quality Management and PL Meetings.

In fiscal 2014, PL audits were conducted in 11 divisions and departments in the Chemicals business and 25 divisions and departments in the Foods Business. Feedback was given to each division and department on the results of the audits as part of efforts to ensure continuous improvement in quality safety initiatives.

### Educating Employees on Laws and Regulations

Seminars on laws and regulations pertaining to the quality safety and management of chemical substances are held regularly for all employees in order to ensure compliance through the dissemination of information on laws and regulations.

In fiscal 2014, education on matters of "security export control," "GHS systems in Japan and abroad," and "Korean REACH" <sup>\*3</sup> were held at various offices.



Seminar on Korean REACH conducted by external lecturers

### Management of Chemical Substances

ADEKA has established a system for the creation of a GHS version of SDS that is compliant with the laws and regulations of other countries, with the aim of enhancing product safety both in Japan and abroad.

In fiscal 2014, the third phase out of a total of four phases for compliance with Taiwan GHS was completed, while preparations for compliance with the laws and regulations to be enforced in fiscal 2015 were completed for Europe, the United States, Brazil, Singapore, and Malaysia.

In addition, we continue to comply with the registration of hazardous chemicals in China, have completed application for our products to meet the standards of the enforcement of the Toxic Chemical Substance Control Act in Taiwan, and have furthermore taken swift action to comply with standards in each country.

### Food Sanitation Management

The ADEKA Group seeks to raise the level of management at its production plants, led by the Food Sanitation Management Committee headed by the General Manager of the Production Division. To that end, checks were conducted across five departments in regard to the status of sanitation management, compliance with laws and regulations, product traceability, and food defense. These checks were targeted specifically at plants that produce foods and food additives, including those belonging to external contractors.

Furthermore, detailed information about raw materials, as well as product information such as ingredients and labeling, is being managed centrally. A traceability system that enables the tracking of raw materials used and production conditions through use of the product's lot number is actively utilized and linked with the production and inventory management systems. In this way we strive to enhance our management functions.

## Targets and Actual Results for Fiscal 2014

Item	Targets	Actual results
Full compliance with PL	Compliance with GHS <sup>*2</sup> for exported products	Construction an automatic system for SDS that is compliant with overseas laws and regulations Completion of third-phase compliance in Taiwan, and start of compliance with countries enforcing it in fiscal 2015
	Improving efficiency and ensuring continuity in efforts to improve the food traceability management system	Review toward improving efficiency in the registration of raw material information and improving efficiency of work through such improvements Implementation of training in tracing raw materials in addition to trace-back training (7 departments)
		Implementation of transportation tracing
Management of chemicals	Compliance with related laws and regulations in Japan and abroad	Enforcement of reports on actual quantities for the Chemical Substance Control Law (once a year) Continuous implementation of registration in China under the Regulations on Safe Management of Hazardous Chemicals
	Supporting enforcement in 2015	Completion of application for normal/low-quantity exemption under the Korean Toxic Chemicals Act Completion of applications for existing substances under Taiwan's Toxic Chemical Substance Control Act
Safety and assurance for food products	Keep up efforts to provide information to customers	Submission of written reply, etc. pertaining to the management of the quality of product information supplied through product standards documentation
	Compliance with related laws and regulations in Japan	Beginning of the collection of information and formulation of response measures pertaining to standards on food labeling under the Food Labeling Act
		Introduction of Internet-based search system for laws and regulations

## Targets for Fiscal 2015

Item	Targets
Full compliance with PL	Timely response toward GHS for exported products, in line with the laws and regulations of each country
	Introduction of an automatic SDS creation system that is compliant with overseas laws and regulations
	Promote improvements and greater efficiency for the food traceability management system
Comprehensive management of chemical substances	Compliance with related laws and regulations in Japan and abroad
	Stabilization of new applications for the Korean REACH and Taiwan's Toxic Chemical Substance Control Act, and investigations into the situation of revisions to the TSCA <sup>*4</sup> in the United States
Safety and assurance for food products	Keep up efforts to provide information to customers
	Continued compliance with, and collection of information on, relevant laws in Japan

<sup>\*1</sup> SDS: Safety Data Sheets = Sheets that contain information such as the name of the chemical substance and its properties, hazards, necessary precautions in its handling, etc.

<sup>\*2</sup> GHS: Globally Harmonized System of Classification and Labeling of Chemicals

<sup>\*3</sup> Korean REACH: The Act on Registration and Evaluation of Chemicals of Korea, enforced in Korea on January 1, 2015

<sup>\*4</sup> TSCA: Toxic Substances Control Act



# Environmental Conservation Initiatives



**Yutaka Furukawa**  
Operating Officer and General Manager,  
Environmental Protection Division

## Message from the Representative

The ADEKA Group seeks to understand the impact that our business activities have on the environment, and undertakes initiatives to prevent pollution of the air, water, and soil as well as to reduce the burden on the environment.

In fiscal 2014, we continued our activities from previous years, such as resource conservation, energy conservation, reduction in the volume of waste, and reduction in the emissions of PRTR\* substances. On top of this, we also launched full-scale activities based on our biodiversity policy. Efforts were also made to promote improvements in the food recycling rate through means such as ensuring thorough inventory management by the sales department.

We aim to be an environmentally friendly company so as to achieve sustainable development for society.

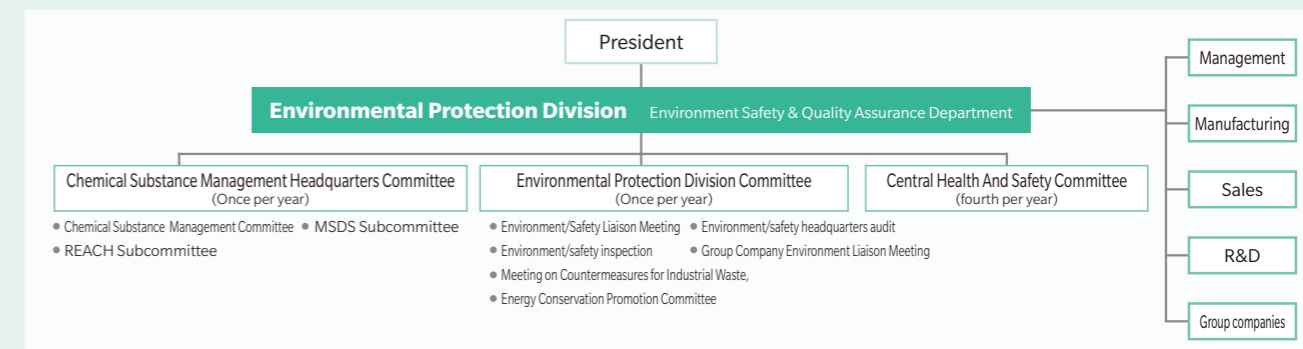
## Basic Environmental Policy

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

\*PRTR: A system for agencies to understand, aggregate, and publish data on the extent to which hazardous chemical substances are being released into the environment, and the sources of these substances, in addition to data on whether such chemical substances are contained in waste matter being removed from businesses

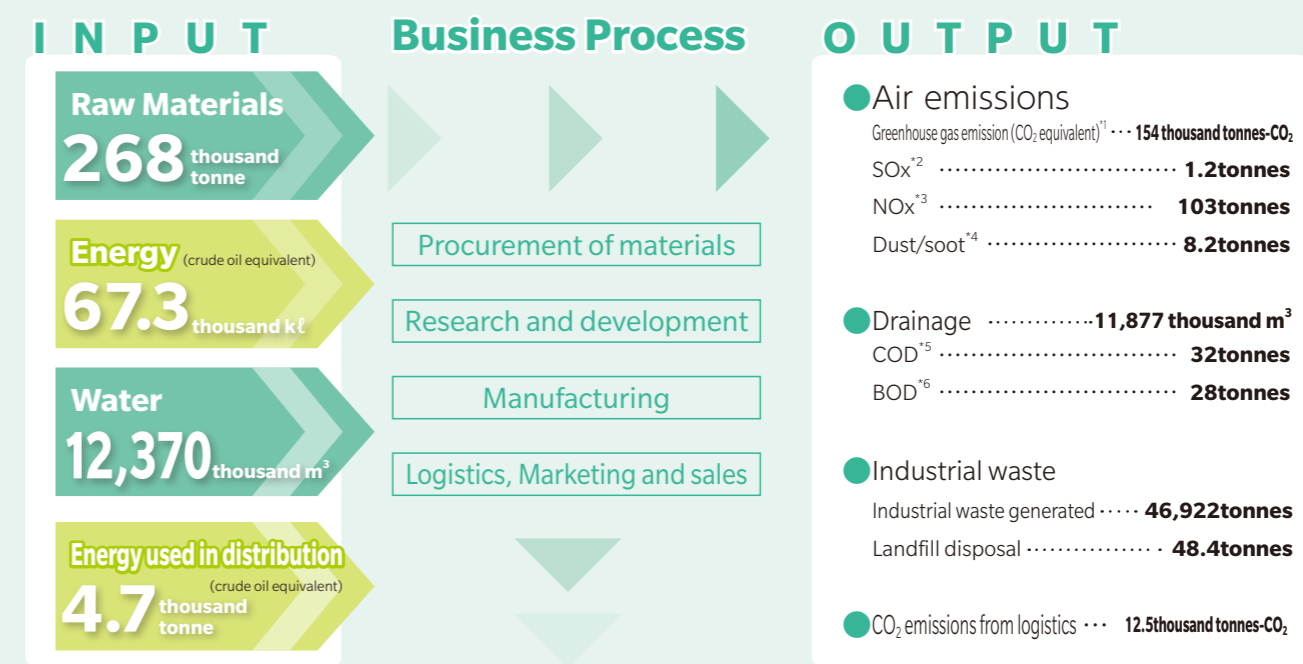
## Environmental Initiatives System

Based on the yearly policies of the Environmental Protection Division headed by the operating officers, each office formulates its own implementation plans and, through the PDCA cycle, engages in environmental management activities that match the needs of the local community.



## Environmental Conservation Initiatives

Survey target: ADEKA and 10 main affiliated companies in Japan



Products 349 thousand tonnes

\*1 Total emissions arising from energy sources, non-energy sources, and processes  
 \*2 Sulfur oxides that are generated during the use of fuels that contain sulfur  
 \*3 Nitrogen oxide that is generated during combustion in Plant boilers and incinerators  
 \*4 Fine particles that are generated during the combustion of fuels and other materials  
 \*5 Amount of oxygen that is consumed during the oxidation of organic substances  
 \*6 Amount of oxygen required during the mineralization and gasification of contaminants in river water and industrial wastewater by microorganisms

## Targets and Actual Results for Fiscal 2014

Detailed data that could not be included in this Report are available on our website (starting September 2015). <http://www.adeka.co.jp/csr/en/index.html>

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

Item	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 0.1857 kiloliters per tonne (3.7% reduction from previous year)	◎
		Reduce CO <sub>2</sub> emissions by 1% or more year on year	Generated 142,461 tonnes of CO <sub>2</sub> emissions (1.9% increase from previous year)	◎
Reduce industrial waste generated	All ADEKA Offices	Reduce industrial waste output by 1% or more year on year	Generated 41,499 tonnes of industrial waste (6.0% reduction from previous year)	△
		Achieve 100% recycling rate for outsourced volumes by fiscal 2020	Achieved a 38% recycling rate (Recycled 13,437 tonnes out of 5,069 tonnes of externally processed waste)	△
		Continue to maintain zero emission rate <sup>*7</sup> Achieve landfill disposal volume of zero by fiscal 2020	Landfill disposal volume of 39.7tonnes (0.096% 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:71% (1,927 items out of 1,367 items), Designated non-stationery items: 39% (1,221 items out of 475 items)	△

\*7 ADEKA defines "complete elimination" as landfill waste that amounts to less than 0.1% of the total volume of industrial waste output.





## Initiatives for Fiscal 2014

### Biodiversity

We promote initiatives for sustainable use and the conservation of biodiversity, based on the ADEKA Group Biodiversity Policy.

The Fuji Plant began to build a biotope in fiscal 2014. With advice provided by environmental officers from Fuji City, we carried out thinning activities, removed dead leaves, and performed water purification work on ponds in order to create an environment in which

plants and animals can live and grow. In addition, we also carried out a nature study to promote the development of the biotope in the future, and succeeded in identifying 147 species of plants as of October.

Going forward, we will continue to promote environmental conservation and to create an environment in which a wide variety of living things can thrive.

### TOPICS Nature Observation Session Convened at the Fuji Plant

A nature observation session was convened in April 2015, and a total of 51 employees, affiliates, and their family members participated in the activity. The participants learned about the types of animals and plants living in the biotope by actually searching for them, and the children listened to explanations provided by the lecturer with deep interest.

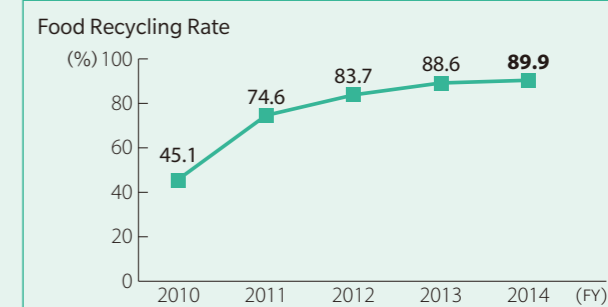


### Food Recycling Rate

Since fiscal 2012, ADEKA has implemented cross-functional activities across the production, sales, and management departments as part of its continuous efforts to minimize the generation of food waste and to recycle waste materials. In fiscal 2014, as a result of the expansion of the warehouses subject to initiatives put in place by the sales department for recycling and enhancing inventory management, our food recycling rate rose to 89.9%. However, this is not a high rate when compared with those of other advanced food manufacturers. There have also been movements to revise the legally stipulated target from its current 85% to 95% by fiscal 2019.

Going forward, we will continue to promote recycling and minimize the

generation of waste in order to contribute to making the transition toward a recycling society and fulfill our responsibilities as a food manufacturer.



## Consideration for the Environment During Production Survey target: ADEKA

Fiscal year	Production Department	Non-production Departments
2010	156.0	4.3
2011	144.5	3.9
2012	150.6	4.7
2013	145.2	5.4
2014	<b>142.5</b>	<b>5.6</b>

Fiscal year	Production Department	Non-production Departments
2010	63.8	2.8
2011	60.3	2.5
2012	61.5	2.6
2013	62.2	2.6
2014	<b>62.0</b>	<b>2.7</b>

Fiscal year	Production Department	Non-production Departments
2010	12,503	43
2011	11,116	41
2012	11,425	37
2013	11,625	36
2014	<b>11,935</b>	<b>34</b>

Fiscal year	Production Department	Non-production Departments
2010	39.2	0.5
2011	35.0	0.9
2012	37.9	0.7
2013	38.6	0.5
2014	<b>41.0</b>	<b>0.6</b>

## Targets for fiscal 2015

Item	Scope	Targets
Promote energy conservation	Production division	Reduce energy intensity by 1% or more year-on-year in the production departments
		Reduce CO <sub>2</sub> 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
		Achieve landfill disposal volume of zero by fiscal 2020
Promote green purchasing		Achieved green procurement rate of above 80% for specific items of stationery



# Creating a Pleasant Working Environment

## Message from the Representative

The ADEKA Group respects the humanity and individuality of each and every employee, and strives to provide support for their self-realization and to treat them fairly, commensurate with the developmental phases of their capabilities and their achievements.

In fiscal 2014, we strove to provide a safe and secure working environment for our employees, and put effort into promoting work-life balance and diversity through means such as enhancing the refresher holiday system.

Going forward, we will continue to aim at "diversity" as our keyword in the development of human resources who will serve as leaders in the next generation, and to promote the development of a working environment where employees can continue to grow, be motivated, and work safely.



**Susumu Yasuda**  
Operating Officer and General Manager,  
Human Resources Department

## ADEKA Human Resources Principles

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

## Human Resources Data Target: (1) Consolidated, (2) – (7) Non-consolidated

Item	Fiscal year		
	2012	2013	2014
(1) No. of employees	3,027	3,034	3,099
(2) No. of employees	1,523	1,530	1,545
(3) Average age of employees	38.3	38.4	38.5
(4) Ratio of female employees (%)	13.6	13.5	13.6
(5) Ratio of female managers (%)	1.7	2.3	2.9
(6) Re-employment rate (%)	100.0	100.0	100.0
(7) Employment rate for people with disabilities (%)	1.79	1.87	2.06

## Targets and Actual Results for Fiscal 2014 [Support Plan for Nurturing the Next Generation (April 1, 2013 - March 31, 2015)]

Targets	Actual results
Enhancing childcare nursing leave, and promoting the involvement of male employees in childcare	Extension of the length of childcare nursing leave from 5 days to 10 days, regardless of the number of children Easing the criteria for taking childcare nursing leave (such as approving leave in situations where the child is not sick, but needs to remain at home due to suspension of classes, etc.)
Review toward the introduction of a refresher holiday system for employees who have served continuously for 10 or 20 years	Introduction of a refresher holiday system for employees with 10 or 20 years of service, enhancement of the existing system for employees with 30 years of service, and use of the system by 94% of eligible employees

## Promoting Diversity

### Respect for Human Rights

The ADEKA Group's Code of Conduct clearly emphasizes respect for fundamental human rights, and all employees of the ADEKA Group are in compliance with this. Furthermore, in every aspect the processes of recruitment, hiring, and promotions we respect the value of diverse human resources, regardless of nationality, age, sex, race, or disability, and have developed a level playing field where each individual can exert his or her personality and play an active role.

The rules of employment also set forth the importance of respect for individual diversity, personal character and personality, and lay out stipulations that prohibit discrimination, acts of violence, sexual harassment, and other undesirable acts undertaken for reasons such as sex, nationality, or age.

### Employment of Retirees

Re-employment rate for retirees

**100%**  
(fiscal 2012 – 2014)

ADEKA has established a re-employment system for retirees up to 65 years of age who wish to continue working, with the exception of situations justified by special circumstance. The re-employed retirees are a valuable presence in passing down traditions to the next generation, and play an active role as experts equipped with the knowledge, experience, and skills that they have built up over their careers. The re-employment system supports various working styles, such as full-time work or three-day work weeks.

### Employment of People with Disabilities

The ADEKA Group puts effort into developing the working environment and expanding job categories with the aim of enabling disabled persons to exercise their capabilities and achieve self-realization. Going forward, we will continue to take a proactive stance toward promoting the employment of disabled persons.

The employment rate of people with disabilities (by ADEKA)



### Active Participation by Women

The ADEKA Group promotes active participation by women. Of the 49 new graduates who joined the company in April 2015, three were women. Our doors are open to all in terms of hiring and promotion regardless of sex. The ratio of female managers increased by 0.6 points from fiscal 2013, pointing toward the active role that women play in the company.

## Recruitment of Global Human Resources

Percentage of Non-Japanese Nationals and Returnees Among New Employees for Fiscal 2014\*

**14.3%**

\*Employees who joined the company from April 2, 2014 – April 1, 2015

We are active in employing international students and other non-Japanese nationals, as well as returnees from abroad, in our hiring of both new graduates and mid-career personnel. We respect the value of diverse human resources, and strive to deploy employees to positions suited to their individual capabilities and skills as part of our efforts to develop a working environment in which our employees can work comfortably.

## TOPICS Local Hiring Initiatives by Overseas Affiliates

The ADEKA Group actively engages in the hiring of local employees.

In September 2014, we borrowed a gymnasium in the neighborhood close to the recently completed ADEKA FOODS (ASIA) SDN. BHD. (Malaysia) and conducted hiring interviews for 100 people.

We have also enhanced the working environment for local employees in order to help them develop their full potential. These initiatives include the establishment of a new prayer room for employees of Muslims and the extension of break times out of respect for group prayers.



Interviews for the hiring of operators (June 2014)



Putting up labels in the prayer room to indicate the direction of prayer





New employee training in fiscal 2015

## 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

Number of persons participating in language classes

**119**

Number of employees dispatched through the overseas training program

**5**

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 our overseas training system, which dispatches predominately young employees to countries such as the United States, China, and Singapore, employees attend local language schools and undergo training at our overseas affiliates. Through these opportunities they learn about the local business environment and practices, acquire communication skills that help them to adapt to different cultures, and grow as human resources who can play an active role in the global arena at any time.

### Career Development for Employees

Number of trainees participating in company-wide deputy manager/chief-level training

**229**  
(ADEKA Group)

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.

In fiscal 2014, a training program was held for deputy managers and chief from ADEKA and four of our group companies. "Growth" and "The expansion of strategy-formulating human resources" as keywords, the trainees participated in group work and engaged in enthusiastic discussions with lecturers from both within and outside the company.



## Introduction of Mentoring System

Since fiscal 2014, we have launched a company-wide mentoring system. Under this system, each new employee is assigned a senior employee at the chief level as a mentor (a person who provides guidance and advice). In each workplace, continuous support is provided to new employees in a structured manner, both through the implementation of OJT and the provision of mental health care.

In addition to new employees, efforts are also being made to nurture senior employees through the implementation of follow-up training for mentors in order to ensure that they can provide guidance in a structured manner.



## Work-Life Balance

### Regulating the Number of Working Hours

Company-wide efforts are being made to reduce long work hours through means such as the establishment of a no-overtime day and the optimization of working hours by the Labor-Management Expert Committee. In fiscal 2014, the average number of overtime hours was 15.2 hours (one hour more than in fiscal 2013), while the rate of annual leave usage was 67.7%\* (0.6 point increase from the previous period of calculation). These results showed that working hours had in fact increased.

\*Calculated for the period from July 2014 – June 2015

### Enhancement of the refresher holiday system

Rate of usage for the refresher holiday system

**94%**

With the aim of helping employees who have served the company faithfully for many years to refresh their mind and body, a refresher holiday system was established in April 2014 for employees who have served the company for 30 years. A new refresher holiday system has also been established for employees who have been in service for 10 or 20 years. Company-wide initiatives have been put in place with the aim of achieving a 100% usage rate for this system.

### Maintaining the Health of Employees

Health screening rate

**100%**

The ADEKA Group conducts regular health screenings twice a year for all employees, and has enhanced the system by providing follow-up examinations, conducted by industrial specialists or nurses, for individual employees following the regular health screening.

Health consultation office has also been established in the clinic as part of a system that encourages employees to consult freely with company physicians. This contributes to the early detection and treatment of mental health diseases. With the aim of preventing mental health diseases, mental health education is also provided through in-house PR and level-based training.

### Keeping a balance between work and childcare/nursing care

ADEKA has introduced a new system that supports employees in striking a balance between their work and childcare/nursing care duties at a level above legally stipulated requirements.

In fiscal 2014, the childcare nursing leave system was further enhanced with the aim of promoting work-life balance for female employees and promoting the involvement of male employees in childcare. As a result, the number of employees who made use of the childcare/nursing care system was 13. Although no male employees made use of the system, we aim to continue putting effort into creating a corporate culture where employees may easily make use of such systems.



Kurumin Mark

### Main Systems Aimed at Providing Childcare/Nursing Care Support

\*The underlined sections are areas in which we have exceeded the legal requirements.

Maternity leave	6 weeks before birth (14 weeks in the case of twins) 8 weeks after birth
Spousal maternity leave	Three days or less in cases where the spouse has given birth
Childcare leave	Until the child reaches one year of age, in principle An extension of up to <u>one year may be approved under special circumstances.</u> <small>*Calculating from the first day of childcare leave, special accumulated leave may be approved for up to <u>five consecutive days</u>. The period of special accumulated leave will be regarded as <u>paid leave</u>.</small>
Childcare nursing leave	For employees who are raising children below grade four of elementary school, it is possible to take up to <u>10 days of leave per year, regardless of the number of children, for situations in which they have to take care of an injured or sick child (including vaccinations and health screenings for the child, as well as suspension of classes.)</u> <small>*Childcare nursing leave may be taken in half-day units</small>
Nursing care leave of absence	A total of up to <u>365 days</u> for each person requiring care
Nursing care leave	A total of up to <u>20 days per year</u> for each person needing care
Shortened working hours	Childcare: <u>Until the end of the child's fourth year in elementary school</u> Nursing care: A total of up to <u>365 days, combined with nursing care leave of absence</u> <small>*Both may be reduced up to a maximum of 2 hours in 30-minute units.</small>

## Targets for fiscal 2015 [Support Plan for Nurturing the Next Generation (April 1, 2015 - March 31, 2018)]

Targets	FY2015 Initiative Landmarks
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	In-house bulletin boards, etc. are used in continuous efforts to disseminate information about the leave systems and to raise awareness about the use of childcare leave.
Develop an environment to promote the involvement of men in childcare	With the aim of promoting the use of childcare leave, a special accumulated leave system has been introduced for use during the childcare leave period. The unit for childcare nursing leave was revised from one day to a half day
Enhance the relevant systems in order to promote work-life balance amongst employees	A recommendation has been made to employees to take more than five days of annual paid leave per year
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



## Initiatives for Occupational Health and Safety

## Enhancing Corporate Value Building Partnerships

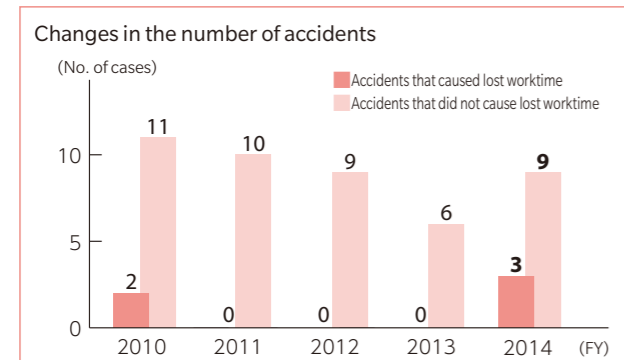
### Occupational Safety

Through the operation of the OHSAS 18001, an occupational safety and health management system, and the Zero Accident Committee and Safety and Health Committee established in each office, ADEKA strives to raise awareness toward safety among employees and to create a safe working environment.

#### Occupational Accidents

The number of occupational accidents that took place at ADEKA during fiscal 2014 totaled 12, with 3 accidents that caused lost worktime and 9 that did not cause any lost worktime. The number of occupational accidents among employees in their 30s – 40s increased.

Other than ADEKA, we also aim to communicate actively with our partner companies. Continuous efforts are being put into safety activities, such as repeatedly raising awareness about safety for both young and mid-level employees.



### Targets and Actual Results for Fiscal 2014

Item	Targets	Actual results	Self evaluation
Occupational safety and security disaster prevention	Passing on skills to the next generation	Verification of plant operation methods based on the Safety and Accident Prevention Guidelines drawn up by the Japan Chemical Industry Association	○
	Promoting safety experiential learning	Introduction of five sets of facilities at the Urawa R&D Laboratory, and the commencement of training	○

### TOPICS

#### Introduction of Experiential Safety Training

The Research and Development Division introduced a facility at the Urawa R&D Laboratory in November 2014 that simulates dangers that may occur in the workplace (dust explosion, solvent explosion, solvent combustion, and residual pressure in pipes) as part of ADEKA's efforts to mitigate occupational disasters and accidents.

In December of the same year, an internal lecturer began to conduct safety experiential training, and 110 employees, including employees from Group companies, had attended the training as of the end of March 2015.

Due to a rise in the number of young employees who may have never experienced any workplace accidents, we will continue to enhance the contents of our training systems as well as our facilities in order to further promote education to refine employees' sensitivity toward dangers.



Experiential device for solvent combustion

### Targets for fiscal 2015

Item	Targets
Occupational safety and security disaster prevention	Sharing information among "Zero Accident" leaders
	Strengthening know-why education*
	Developing unified company-wide safety manuals

\*Know-why education: Rather than simply absorbing the contents of work manuals, etc., employees ask questions such as "Why will we do so?" in order to gain an understanding about the reasons, principles, and objectives behind the training.

### Shareholders and Investors

#### Disclosure Policy

ADEKA strives to disclose accurate corporate information in a fair and timely manner to all stakeholders, including our shareholders and investors, based on our disclosure policy. Our disclosure is not limited to the scope required under current laws and regulations. Rather, important information pertaining to company management is actively disclosed, including financial closing information and business plans.

#### Dividend Policy

In determining an appropriate level of profit allocation and internal reserves, our basic policy is to take into consideration overall factors such as the operating environment, business performance, and financial situation.

We utilize internal reserves to strengthen the foundations of our business and to invest in growth sectors that play a significant role in ADEKA's growth from a mid- to long-term perspective.

In fiscal 2014, the annual dividend for shareholders increased year-on-year by 4 yen to 26 yen per share.

#### IR Activities

We are actively engaged in IR activities, such as holding briefing sessions on financial results for institutional investors and analysts as well as briefing sessions on our mid-term management plans.

In fiscal 2014, in addition to the briefing on financial results held every half a year, we also conducted 126 individual meetings. We seek to improve corporate value and to improve communication by harnessing the FACT BOOK we publish every year as an IR tool.



FACT BOOK

### 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.

#### Fair and Equitable Procurement Activities

In 2002, ADEKA enacted the Procurement Management Standards, and has since engaged in environmentally-friendly procurement activities that are fair and equitable, based on trust and cooperation with our suppliers.

### TOPICS

#### Exchange of Information with Logistics Companies

The ADEKA Group aims to establish a logistics system that can to deliver our products to our customers with certainty.

A logistics conference involving our affiliate and partner companies has been convened at the Akashi Plant yearly since 2005, with the aims of exchanging information about points to note when transporting ADEKA products as well as examples of problems faced by other companies, and to develop methods to prevent the recurrence of such problems.

Furthermore, with the understanding of each company's subcontractors, we are also putting in place initiatives to raise awareness about safety.



9th Logistics Conference (Akashi Plant)



# Initiatives Toward Community and Society

Chemistry experiment class held for local elementary school students  
(Head office, Ogu R&D)



Organized youth judo and kendo competitions since 2000  
(Head office)



Organized tours of the Foods Development Laboratory for university students (Ogu R&D)



Donation of Christmas cakes to orphanages in the neighborhood (Akashi plant)



Continuous donations to welfare activities in Soma City (Soma plant)



Holding of the ADEKA Music Salon, inviting disabled persons living in the neighborhood as guests (Head office)



## Hand-in-Hand with the Children Who Will Be Leaders of the Future

With hope for sound and healthy growth for the children who will play active roles in the future, we are engaged in various activities across our bases in Japan.



Rice-cake making event held at orphanages  
(Fuji Plant)



Work experience for junior high school students  
(Mie Plant)



Social science tour for local elementary school students (Kashima Plant)

## A Good Corporate Citizen

ADEKA is actively engaged in dialogue with members of the local community and with society through social contribution activities and participation in regional revitalization activities.



Donation of proceeds from the summer festival toward activities for town revitalization (Mie Plant)



Cleaning of roads near the plant  
(Chiba Plant)



Plant tour for local residents (Kashima Plant)



# Initiatives by Overseas Group Companies

As a member of the global corporate community, the ADEKA Group has 22 business locations in 12 countries and regions.

In addition to conducting business activities that are firmly rooted in each community, we also take a proactive stance toward activities such as supporting education, and strive to strengthen communication with members of the local communities.



Singapore

## ADEKA SINGAPORE PTE.LTD.

### Awarded "Grade A" as a Food Company for the 19th Consecutive Year

ADEKA SINGAPORE PTE. LTD. received the highest grade, Grade A, in the evaluation system for food companies established by the Agri-Food and Veterinary Authority (AVA), which controls safety and health management and food standards in Singapore. The company has been awarded "Grade A" for 19 consecutive years since 1995.

Grade A is awarded to companies that have achieved thorough health and safety management for food products based on ISO and HACCP standards, and is awarded to companies by AVA once a year upon the inspection of products and production facilities. ADEKA was highly appraised for our efforts to strengthen and maintain our safety and quality management systems.



Received the Grade A certificate for 19 years running



Korea

## ADEKA KOREA CORP.

### Received the 2014 Jeonbuk Economy Award

ADEKA KOREA CORP. received the Jeonbuk Economy Award in fiscal 2014 from the North Jeolla Provincial Chamber of Commerce and Industry. The Jeonbuk Economy Award is presented to companies and employers in the North Jeolla Province for outstanding initiatives in areas such as increasing employment through new investment, social activities in a wide range of areas, and contribution to regional development. The aim of the award is to develop regional society.

Going forward, we will continue to undertake activities to serve members of the local community.



Receiving the Jeonbuk Economy Award



Taiwan

## ADEKA FINE CHEMICAL TAIWAN CORP.

### Donations to the Disaster Relief Funds

Several major explosions took place late in the night of July 31, 2014 in Kaohsiung City, resulting in the loss of many lives. ADEKA FINE CHEMICAL TAIWAN CORP. donated 90,000 Taiwan dollars toward the reconstruction of Kaohsiung City, and these relief funds were used in reconstruction efforts.



A letter of appreciation for donations toward disaster relief funds for the Kaohsiung gas explosions



USA

## AMFINE CHEMICAL CORP.

### Educational Support Activities for Children

The Kentucky Plant of AMFINE CHEMICAL CORP. engages in activities to provide support for the education of the children who will be the leaders of the next generation. These activities include the participation of plant engineers in educational activities at elementary schools, receiving high school students for plant tours, and outreach activities to local churches.



Plant tour for students from six high schools in the region



Awards for outstanding students in the area of chemistry



Outreach activities at churches

Furthermore, in order to enhance the learning capabilities of high school students, outstanding students from local high schools are brought together under a system for fostering future human resources for the future. ADEKA also awards scholarships to outstanding students in the area of chemistry.



Malaysia

## ADEKA FOODS (ASIA) SDN. BHD.

### Efforts to Acquire Halal Certification

ADEKA FOODS (ASIA) SDN. BHD. received Halal certification from the Department of Islamic Development Malaysia (JAKIM) in November 2014. To acquire this certification, the company hired local employees familiar with Halal practices, took steps to carry out improvements in the plant and strengthen management, and established a Halal Council made up of Muslim employees in order to develop measures for raising the level of trust toward the company's Halal products.

In April 2015, the company obtained HACCP certification from the Ministry of Health of Malaysia.

Going forward, we seeks to contribute to enhancing food culture in Southeast Asia through a comprehensive system that is able to provide safe and secure products to customers.



Celebrating the acquisition of Halal certification together with the employees



# CSR Management

## Basic Stance on Corporate Governance

In order to strike a balance between creating social value and achieving sustainable improvement in corporate value through the realization of ADEKA Group's corporate philosophy and corporate mission, we acknowledge that corporate governance is an important issue in our efforts to enhance transparency and efficiency in our management.

Alongside efforts to speed up decision-making processes, strengthen audit functions, improve transparency and fairness, and clarify responsibilities and authority in the execution of work processes, we will put effort into establishing a corporate control system that fulfills the Corporate Governance Code introduced in June 2015.

## Strengthening the Management Organizational Structure

ADEKA has adopted a system whereby decision-making is undertaken in a council system formed by the Board of Directors, in addition to a corporate auditor system in which auditors monitor and supervise the execution of work processes.

Since the introduction of the operating officer system in 2003, the decision-making function for management matters, the monitoring and supervisory functions, and the execution of operations have been separated. Reforms were also carried out with the establishment of a new management council, reducing the number of directors and designating shorter terms of appointment. Since 2006 we have also introduced an external director system in order to strengthen governance. In June 2015, two of 11 directors were external directors, independent from the company.

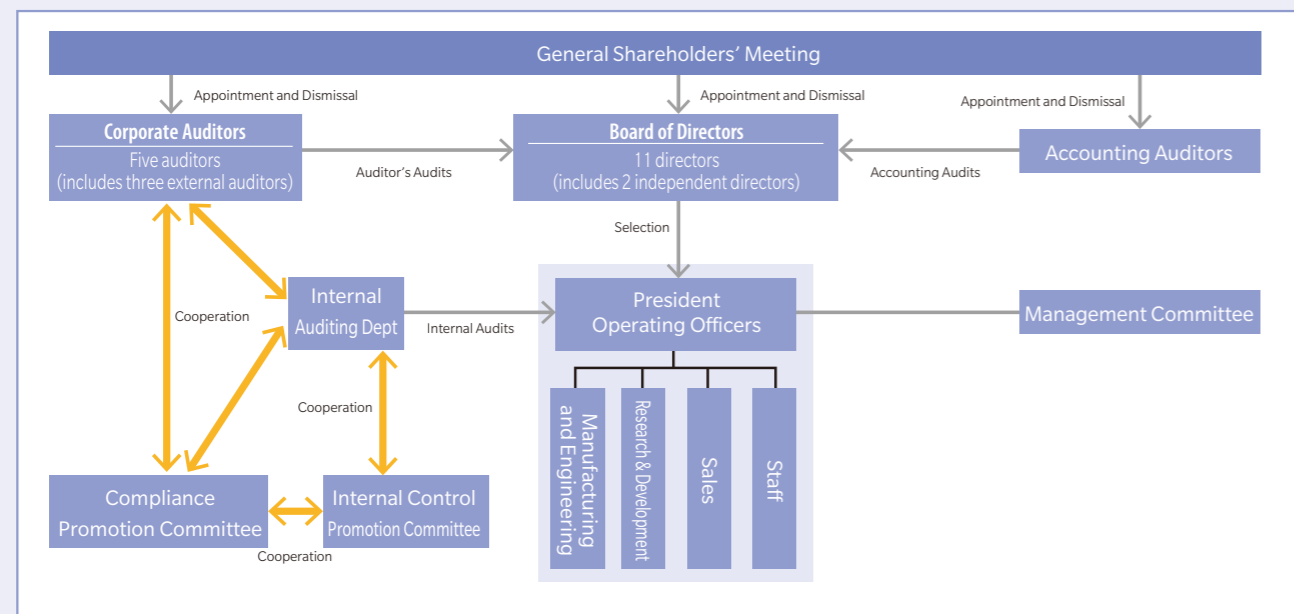
## Remuneration System for Operating Officers

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 2014

Designation	Total amount of remuneration, etc.	No. of officers paid
Director	233 million yen	11
Audit Supervisory Board Member	52 million yen	6
External operating officer	18 million yen	4

## Overview of Corporate Governance



## Our Stance on Compliance

The ADEKA Group has enacted the ADEKA Group's Code of Conduct in order to ensure that each individual employee, as a good corporate citizen, complies and acts in accordance with social standards and corporate ethics.

In light of revisions to the law and revisions to the internal reporting system in fiscal 2014, a revised edition (Japanese, English, and Chinese) of the explanatory document for the Code of Conduct for employees was drawn up and distributed to group companies in Japan and overseas. Efforts were also made to strengthen group compliance through activities aimed at disseminating and instilling the Code of Conduct.

## Activities to Raise Awareness of Compliance

ADEKA actively engages in education and training activities in order to raise awareness about compliance.

On top of regular training held in fiscal 2014, a briefing session was conducted on the Guidelines for the Prevention of Bribery, newly enacted in May 2014, and external training sessions were conducted at the request of group companies. A total of 1,439 employees participated in these programs.

With regard to initiatives by the ADEKA Group, a report on case studies was delivered at the compliance education and training seminar (held in February and March 2015) organized by Dai-ichi Hoki Co., Ltd.

## Compliance Hearings Conducted at Overseas Bases

In tandem with the acceleration in the expansion of overseas businesses, the strengthening of group management administration has also become a growing issue. In fiscal 2014 compliance hearings were conducted at model bases in the United States, Europe, Korea, and China in order to study the compliance risks faced by overseas subsidiaries. Going forward, there are plans to expand this initiative laterally to other group companies in Japan and overseas.

## Internal Reporting System

In order to achieve the early detection and resolution of compliance violation cases, an internal reporting system has been in operation across the group since fiscal 2003. In fiscal 2014 activities were carried out to publicize the online external reporting route, open 24 hours a day, 365 days a year, in order to allow informants to submit reports anonymously. Two reports were received as a result.

In addition to the usual recipients of reports—the executive officer in charge of compliance, the general manager of the legal affairs & publicity department, the manager of the legal affairs group, and an external attorney—two full-time auditors have been added to this list since May 2015 as part of efforts to further strengthen the system for receiving reports.

### The Number of Internal Reporting Cases

Fiscal Year	2010	2011	2012	2013	2014
No. of cases	2	1	1	7	3*

\* External reporting route

## TOPICS Strengthening Information Management and Information Security

In response to frequent incidents involving the leakage of trade secrets and personal information and the enforcement of the "My Number Act" program, efforts were made in FY2014 to strengthen personal information management, trade secrets, internal information, and information security, based on the new theme of crisis management, and to formulate the Corporate Secret Protection Manual.

## Compliance training results in fiscal 2014

Contents of training	Target trainees	No. of participants
Compliance leader training	Managerial level	94
Level-based training	All levels	210
e-Learning about compliance through case studies	New employees	72
Briefing session on the Guidelines for the Prevention of Bribery	All Presidents of ADEKA Group companies	52
Briefing sessions on the importance of compliance in global group management and the Guidelines for the Prevention of Bribery	Representatives of overseas group companies	39
Briefing session on compliance for group companies	Representatives of ADEKA Group	32
Briefing session on the Antimonopoly Act	ADEKA Group employees	About 200 people
Briefing session on insider trading regulations	ADEKA Group employees	About 300 people
Compliance lecture	ADEKA Group employees	About 440 people



Reading the ADEKA Group CSR Report 2015

Katsuhiko Kokubu

Professor, Graduate School of Business Administration, Kobe University



Completed a doctoral program at the Graduate School of Business, Osaka City University; Ph.D. (Economics). After serving as an assistant professor at both Osaka City University and Kobe University, he was appointed professor at the Graduate School of Business Administration at Kobe University in 2001, and as the dean of the same Graduate School in 2014. In 2003, he founded the Institute for Environmental Management Accounting as a business in which to apply the fruits of his research work. Chairman of ISO/TC207/WG8. He has served as a committee member and chairperson on various committees in the Ministry of Economy, Trade and Industry and in the Ministry of the Environment. His works include Material Flow Cost Accounting (Nikkei Publishing Inc.), Accounting Systems that Support Decision-Making in Environmental Management (Chuokeizai-sha, Inc.), etc.

What It Means to Incorporate CSR into a Business

The ADEKA Group has established “ADEKA VISION 2025” as its mid- to long-term vision, intended indicate its goals for 2025. It has also announced its mid-term management plan “STEP 3000 – II,” starting in fiscal 2015, as the embodiment of these visions. “STEP 3000” does not simply present the company’s goal of achieving sales of 300 billion yen, but clearly lays out the company’s thoughts on the types of products and services that it aims to provide to society in order to contribute to solving social issues. It has been highly appraised in this aspect. I can state with confidence that ADEKA is a company that has succeeded in implementing CSR management by capturing CSR as a foundation for business expansion and unifying CSR with the mid-term management plan. Going forward, I believe that the company will be able to carry out these activities in greater depth by releasing information about its CSR indicators in addition to its financial indicators.

As a Company that Deals with the Issue of Food Safety

“Food” was the topic addressed in the special feature of the 2015 report. The supply chain for quality management, represented through diagrams, allows us to see that ADEKA has developed a safe system in which customers can trust for the production of the food items the ADEKA Group supplies. Examples were shown of the detailed efforts put in place at the company’s production plants, and articles to set the readers’ hearts at rest were also included. Although it is important for the manufacturer to provide

such indications of safety, I think that it is also important to eliminate the doubts and insecurities held by the consumers through communication. As the ADEKA Group is not a company that responds directly to customers, it may be difficult to hold dialogue with its consumers. However, amidst a rising consciousness regarding health in society, there is a growing number of consumers who have an interest in issues surrounding food additives and raw materials. If ADEKA is able to incorporate the needs of society into its supply chain and to disclose information that enables the visualization of its interaction with the public, I believe that these efforts will serve to further enhance the trust and security that consumers have toward ADEKA products, and contribute to ADEKA’s business.

Value Chain and CSR Management

The ADEKA Group’s Code of Conduct and value chain, as well as its relationship with stakeholders, were clearly shown (p. 10). The company’s orientation toward the value chain follows global CSR trends. The perspective of creating value not as a single corporation but across the value chain is becoming increasingly important. Going forward, as the company heads toward the globalization necessary in order to achieve business expansion, I hope that ADEKA will aim to achieve higher goals by sharing information on CSR management within the ADEKA Group, cooperating among corporations with an awareness toward the value chain and establishing a framework for facilitating two-way communication with stakeholders.

Response to Third Party Opinion

Koji Tajima

Director and Operating Officer

Thank you for your evaluation and valuable comments on the publication of the “ADEKA Group CSR Report 2015”. This report contains information about the newly formulated mid- to long-term vision and mid-term management plan, as well as special features pertaining to the ADEKA Group’s quality safety management system and food safety and food defense initiatives at the Kashima Plant, in response to growing public interest in food safety and security. The positive appraisal that Professor Kokubu has accorded our characteristic initiatives has been greatly encouraging.

Going forward, we will consider providing a more detailed disclosure of our CSR activities through the quantification of non-financial information, and will continue putting effort into enhancing our CSR report. Furthermore, by instilling CSR across the entire ADEKA Group, and through two-way communication with our stakeholders, we aim to understand and resolve social problems and become the good global company that society demands

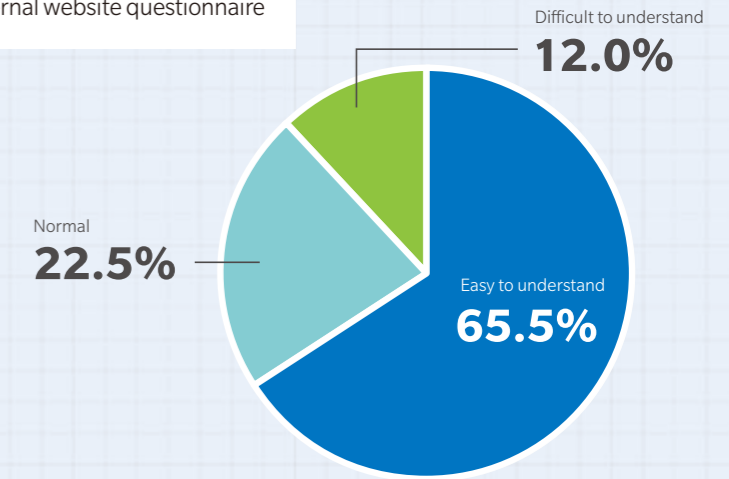
Results of the “ADEKA Group CSR Report 2014” Survey

ADEKA has conducted a questionnaire in order to obtain opinions from within and outside the company so as to further improve on our activities and reports in the future.

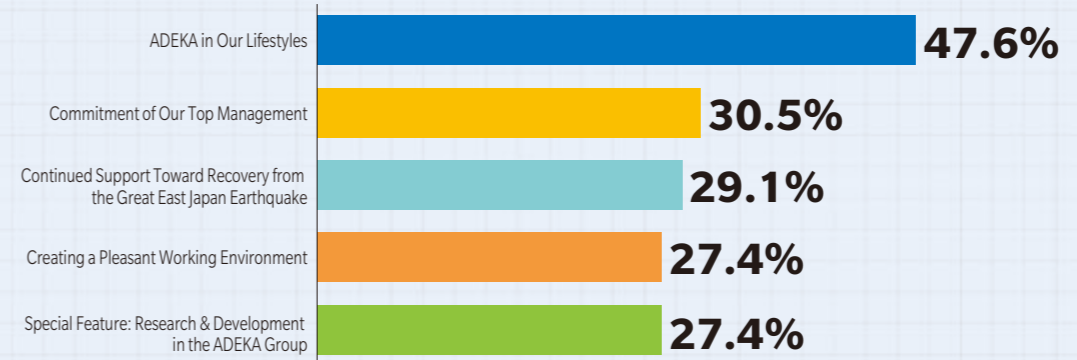
Thank you for your valuable comments and feedback. The following is a report of the results of the survey

Effective responses 351 (including responses from affiliated members of ADEKA Group)  
Survey method Questionnaire at the end of the report, external website questionnaire

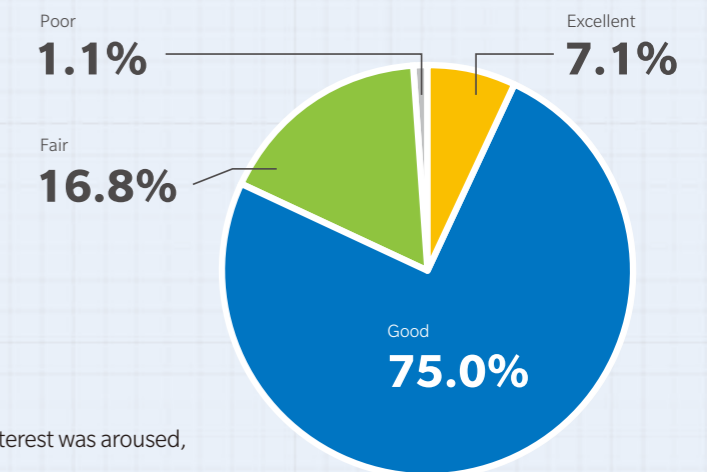
Contents of the “ADEKA Group CSR Report 2014”



Articles that I found interesting (multiple answers)



ADEKA Group’s CSR activities



Main feedback

- Although I had not known about the company before this, my interest was aroused, and I would like to support them.
- Much information was provided, and I could sense their commitment to full disclosure.
- I would prefer it if explanations were included for detailed statistical data, and if the results presented in a manner that was easier to understand.
- I would like to hear more from the employees working at the company.



CORPORATE SOCIAL RESPONSIBILITY

CSR **2015**  
REPORT

**Environmental Data**





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## Environmental Data

### Period Covered by This Report

2014 Fiscal Year ended March 31, 2015

\*From January 1, 2014 to December 31, 2014 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.

## Contact information

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TEL: +81-3-4455-2803 FAX: +81-3-3809-8210 e-mail: somu@adeka.co.jp

## 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.

Scope of quantitative assessment: ADEKA Corporation

Category	Scope	Medium- and Long-term Goals	FY2014 Goals	Performance in FY2014	Future Tasks
<b>Promote energy conservation</b>	<b>Production division</b>	Reduce energy intensity* <sup>1</sup> by 20% by FY2020, compared with FY1990 levels	Reduce energy intensity by 1% or more year on year	<ul style="list-style-type: none"> <li>Achieved energy intensity of 0.1857 kiloliters per tonne (Increased energy intensity by 2.9% compared with FY1990 levels. 3.7% reduction from previous fiscal year)</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen management toward reduction of fixed energy with a focus on electricity and steam</li> <li>Discover new highly efficient equipment/energy-saving equipment, etc.</li> <li>Conserving energy through improvements in production technology</li> </ul>
<b>Reduction of Greenhouse Gas Emissions</b>	<b>Production division</b>	Reduce CO <sub>2</sub> emissions by 3.8% by FY2020, compared with FY2005 levels	Reduce CO <sub>2</sub> emissions by 1% or more year on year	<ul style="list-style-type: none"> <li>Generated 142,64 tonnes of CO<sub>2</sub> emissions (Reduced CO<sub>2</sub> emissions by 19.9% compared with FY2005 levels. 1.9% reduction from previous fiscal year)</li> </ul>	
<b>Reduce industrial waste generated</b>	<b>All ADEKA Offices</b>	Reduce industrial waste output by 1% or more year on year	Reduce industrial waste output by 1% or more year on year	<ul style="list-style-type: none"> <li>Generated 41,499 tonnes of industrial waste (6.0% Increase from previous fiscal year)</li> </ul>	<ul style="list-style-type: none"> <li>Curb generation of waste through improvement in production technology</li> <li>Curb the generation of long-term stock-in-hand and surplus products through production planning and sales planning</li> <li>Explore channels to convert things into valuable resources, and recycle waste</li> </ul>
		Achieve landfill disposal volume of zero by fiscal 2020	Promotion and sustained achievement of zero emissions* <sup>2</sup>	<ul style="list-style-type: none"> <li>Achievement of zero emissions (0.096%) for three years running</li> <li>Landfill disposal volume: 39.7t (86% Increase from previous fiscal year)</li> </ul>	
		Increase recycling rate* <sup>3</sup> for externally processed waste to 80% by FY2020	Continuous promotion of recycling (zero final landfill/incineration)	<ul style="list-style-type: none"> <li>Recycling rate: 38% (5 points down from previous fiscal year)</li> </ul>	
<b>Reduce Environmental Pollutant Emissions</b>	<b>Production division and R&amp;D division</b>	Reduce emission of PRTR* <sup>4</sup> substances by 20% compared by FY2020 with FY2010 level	Strive to reduce emissions of PRTR substances, while managing them	<ul style="list-style-type: none"> <li>Air emissions: 4.0 tonnes (Increased energy intensity by 21% compared with FY2010 levels. 38% reduction from previous fiscal year)</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance and continuation of management strengthening towards the reduction of PRTR substances</li> </ul>
				<ul style="list-style-type: none"> <li>Emissions into public water: 3.0 tonnes (Reduced energy intensity by 88% compared with FY2010 levels. 0.6% reduction from previous fiscal year)</li> </ul>	
				<ul style="list-style-type: none"> <li>PRTR transferred amount: 145 tonnes (Reduced energy intensity by 41% compared with FY2010 levels. 0.8% reduction from previous fiscal year)</li> </ul>	
<b>Promote green purchasing</b>	<b>All ADEKA Offices</b>	Improve green purchasing rate to 80% or more for stationery and non-stationery items by fiscal 2020		<ul style="list-style-type: none"> <li>Stationery items: 71% (1,927 items out of 1,367 items) (2 points increase from previous fiscal year)</li> </ul>	<ul style="list-style-type: none"> <li>Promote green purchasing while striking a balance with cost</li> <li>Refinement of target green procurement items</li> </ul>
				<ul style="list-style-type: none"> <li>Designated non-stationery items: 39% (1,221 items out of 475 items) (8 points down from previous fiscal year)</li> </ul>	

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

\*3 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).

\*4 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.



## Environmental Accounting

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

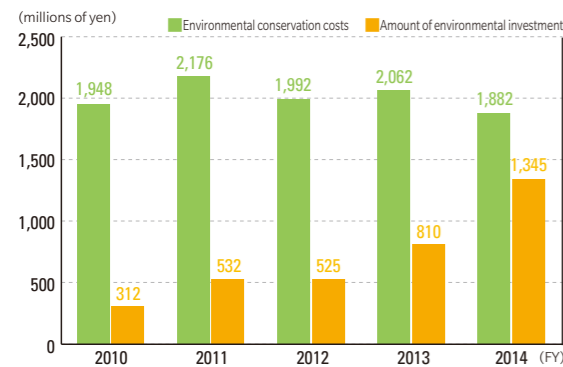
As tools to quantitatively assess the effects of environmental conservation activities, we have adopted “Environmental Accounting Guidelines 2005” and “Environmental Conservation Cost Category Handbook 2003” published by the Ministry of Environment, as well as “Environmental Accounting Guidelines for Chemical Companies” published by the Japan Chemical Industry Association. With these tools, we disclose environmental accounting information with a focus on reliability, comparability, and verifiability.

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	1,606	1,313
(1)	Pollution prevention costs	Prevention of air, water, and soil pollution, and of noise, stench, and land subsidence	1,006	704
(2)	Global environmental conservation costs	Preventing global warming (conserving energy), preventing damage to the ozone layer	306	534
(3)	Resource recycling costs	Reducing and recycling resources, and minimizing the generation of waste material	293	74
2. Upstream/downstream cost		Green procurement, reducing the environmental burden imposed by containers and packaging, collecting and re-commercializing products	11	0
3. Administration cost		Environmental ISO, disclosure of environmental information, environmental impact monitoring, greening	78	2
4. R&D cost		R&D expenses for environmental conservation	179	30
5. Social activity cost		Greening and beautification of areas outside the offices and plants, donating and supporting environmental conservation organizations	4	0
6. Environmental remediation cost		Purification efforts to improve water quality and remove soil pollution, restoration of nature	4	0
Total			1,882	1,345

Cost of Environmental Initiatives and Amount Invested



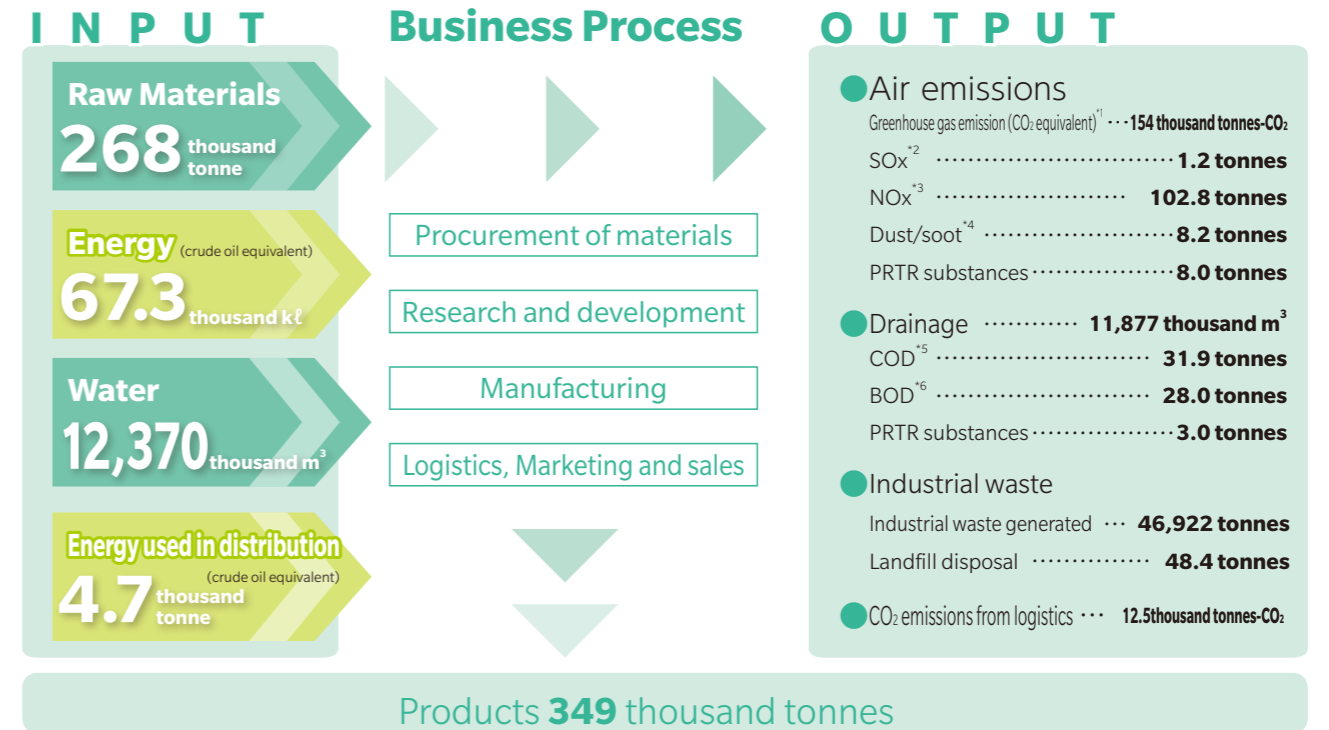
Economic Effects with Environmental Conservation Measures (millions of yen)

Details of effects	Amount (millions of yen)
Income earned by recycling, profits from the sale of valuable resources, etc.	88
Reduction in costs through introducing resources from the environment into business activities	250
Reduction in the burden imposed by business activities on the environment and costs related to the generation of waste material	70
Reduction in costs related to dealing with environmental damage	0
Reduction in distribution cost and other costs	16
<b>Total</b>	<b>425</b>

## 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 oxidization of organic compounds

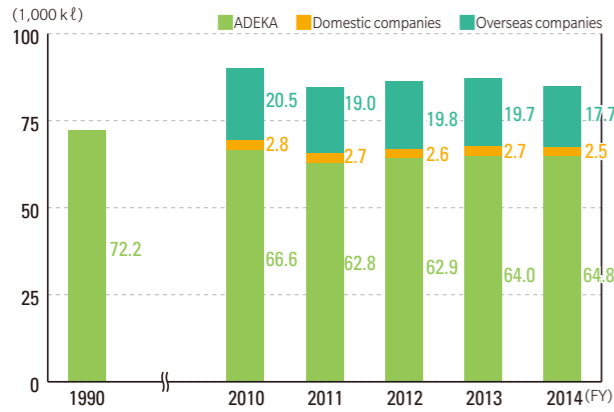
\*6 The amount of oxygen that is needed by biological organisms to mineralize or gasify organic pollutants in a body of water or plant wastewater



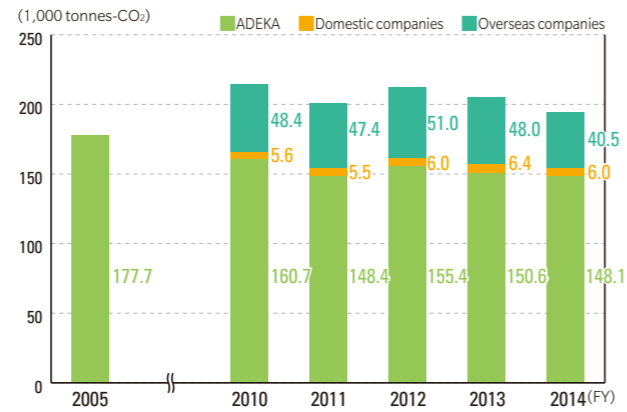
## Prevention of Global Warming

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.

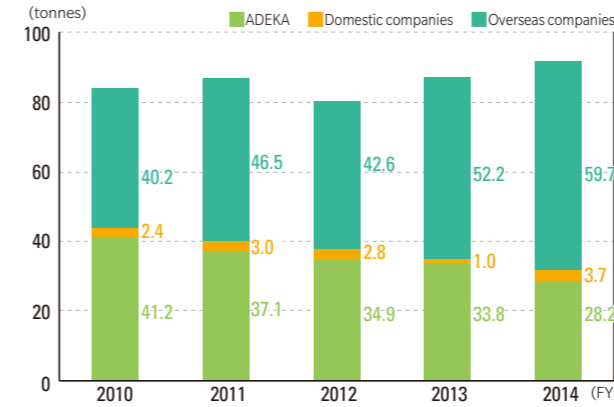
Energy Consumption by Crude Oil Equivalent



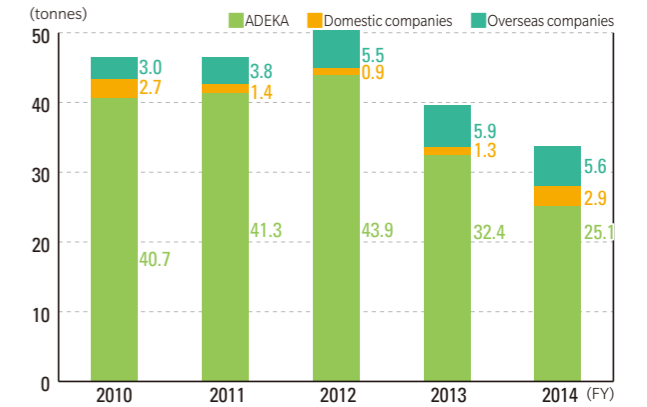
CO<sub>2</sub> Emissions



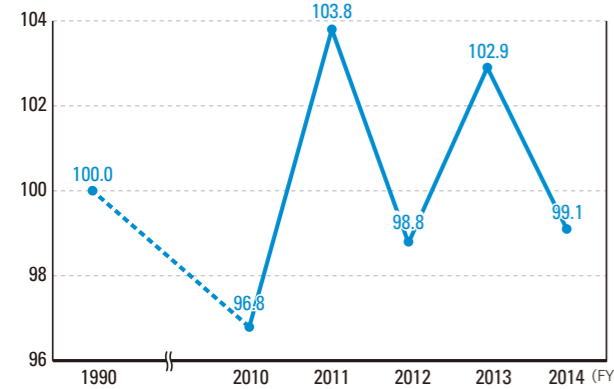
Chemical Oxygen Demand emissions



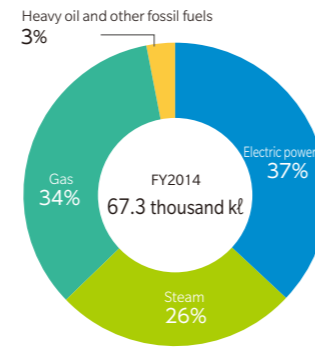
Biological Oxygen Demand emissions



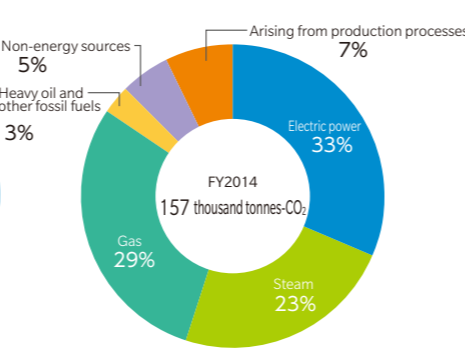
Energy Intensity Index from Manufacturing(ADEKA Corporation :production divisions)



Breakdown of energy consumption  
\*Excluding overseas group companies



Breakdown of greenhouse gas emissions  
\*Excluding overseas group companies



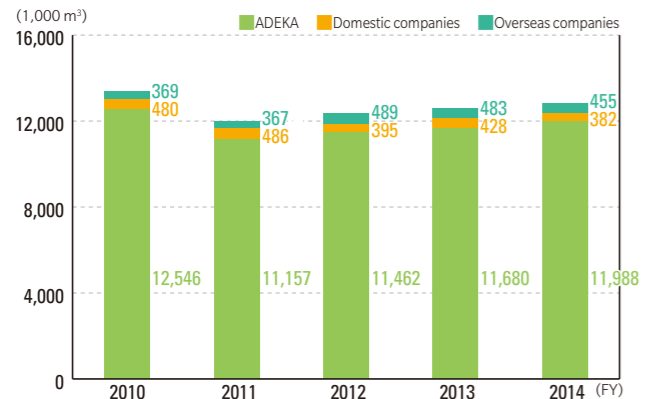
## Air Pollution Prevention

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<sub>x</sub>, NO<sub>x</sub>, dust and soot into the air.

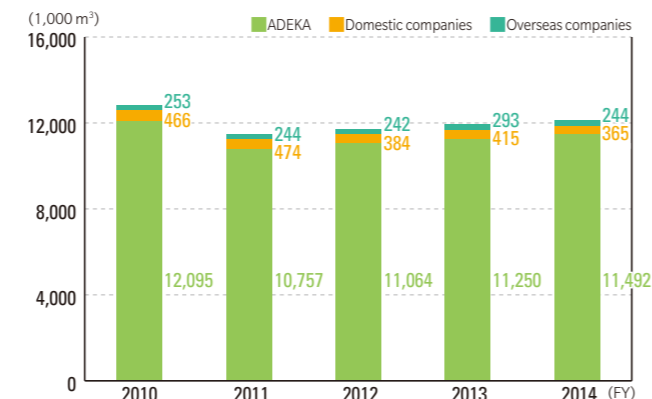
## Prevention of Water Pollution

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.

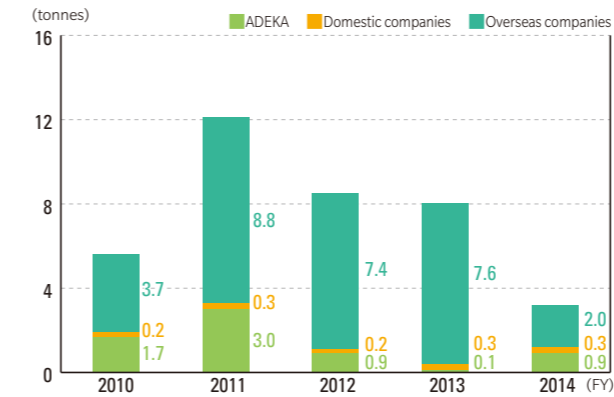
Usage of Water



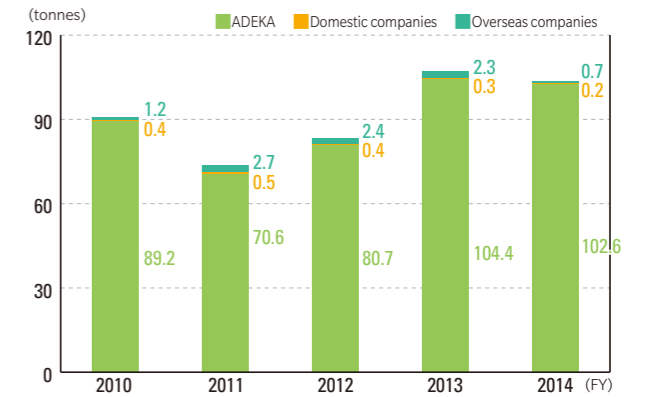
Waste water Discharge



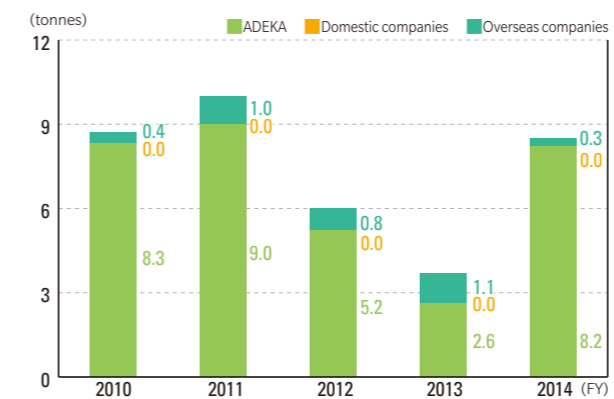
SO<sub>x</sub> emissions



NO<sub>x</sub> 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.

In FY2014, ADEKA's final landfill disposal volume was 3.97t, and it achieved zero emissions for three years running. However, if domestic and overseas Group companies are included, the volume would be 48.4t (7.9t increase year-on-year), and ADEKA would not have achieved zero emissions.

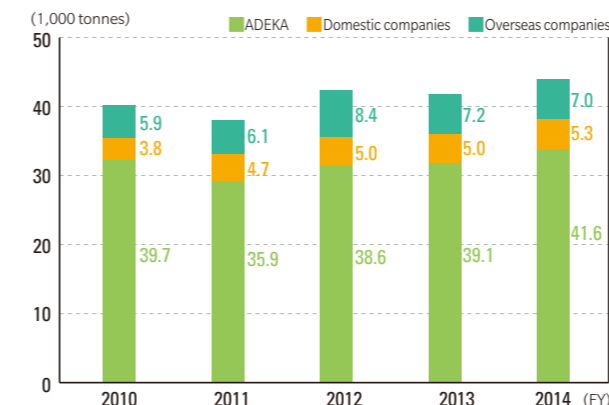
Companies included in the aggregate: ADEKA, 11 ADEKA Group companies in Japan, 10 ADEKA Group companies overseas\*1

The entire flow of recycling and disposal of waste

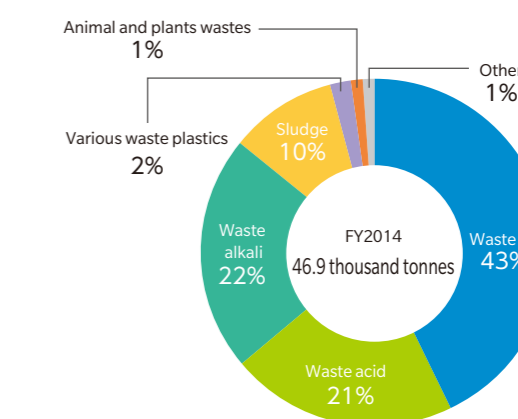


\*1 Only the volume of industrial waste generated and volume processed externally for overseas Group companies. Nine companies were included in the aggregate from 2010 to 2012, while 10 companies were included thereafter.

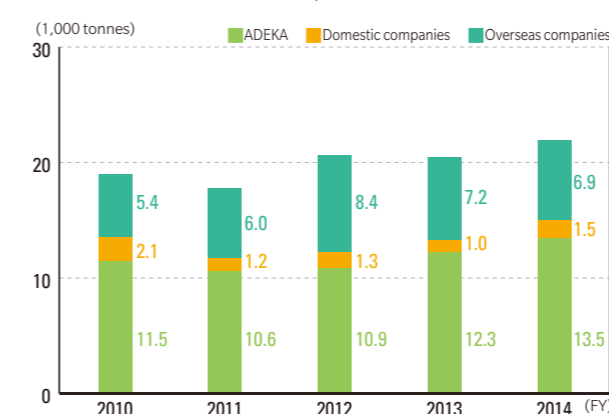
Industrial waste generated



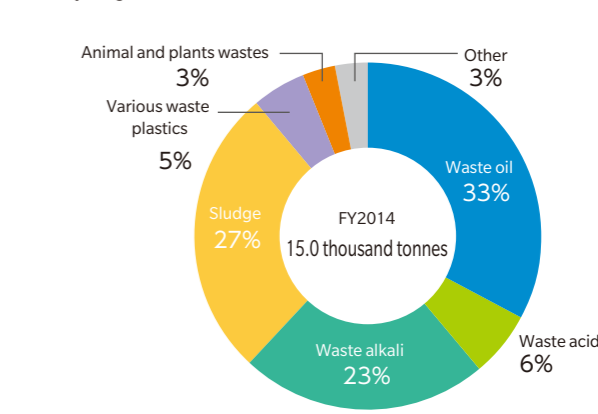
Breakdown of industrial waste\*2



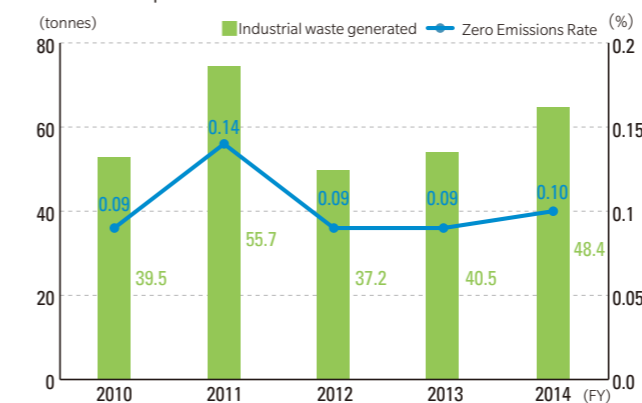
Zero Emissions Rate for Landfill Disposal of Industrial Waste



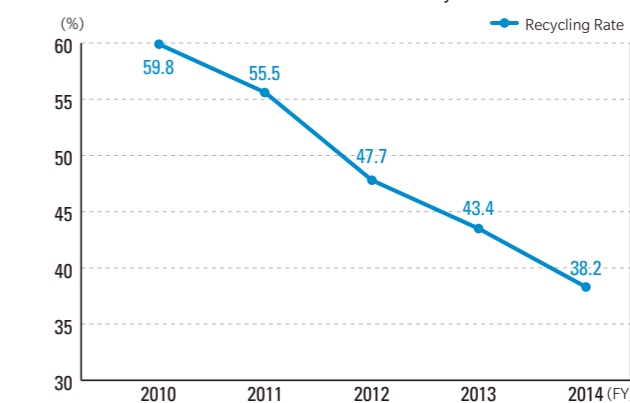
Recycling Rate\*2



Outsourced Disposal of Industrial Waste\*2



Breakdown of the total volume of waste treated by external contractors\*2



\*2 Only for ADEKA and ADEKA Group companies in Japan



### 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.

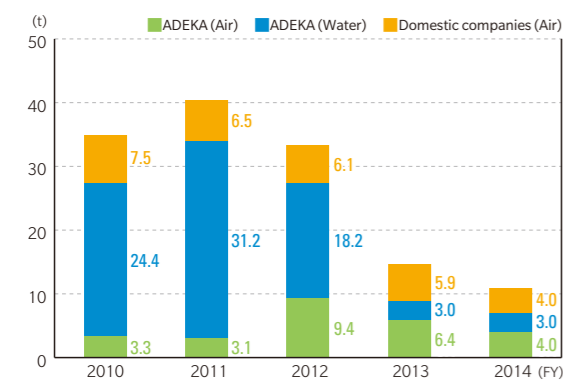
With the revision of the law for PRTR, the number of target substances in the fiscal 2011 report was 462. For fiscal 2014, we will report on 75 of these 462 substances.

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

Substance	Discharge				Transfer	
	Air	Public Waters	Soil	Landfill Waste	Sewage	External Transfer
Acrylamide	0.0	0.0	0.0	0.0	0.0	1.1
4,4'-Isopropylidenediphenol	0.0	0.0	0.0	0.0	0.0	0.3
Ethylbenzene	0.0	0.0	0.0	0.0	0.1	13.1
Ferric chloride	0.0	0.0	0.0	0.0	0.0	1.4
Xylene	0.1	0.0	0.0	0.0	0.1	11.1
Chlorobenzene	0.3	0.0	0.0	0.0	0.0	14.0
Chloromethane	0.1	0.0	0.0	0.0	0.0	0.0
1,2-Dichloroethane	1.3	0.0	0.0	0.0	0.0	66.0
Dichloromethane	0.3	0.0	0.0	0.0	0.0	5.4
Butylated hydroxytoluene	0.0	0.0	0.0	0.0	0.0	0.7
N,N-dimethylformamide	0.0	0.0	0.0	0.0	0.0	0.2
Decyl alcohol	0.1	0.0	0.0	0.0	0.0	0.0
Triethylamine	0.0	0.2	0.0	0.0	0.0	8.3
Toluene	2.9	0.0	0.0	0.0	0.0	15.6
Carbon disulfide	0.2	0.0	0.0	0.0	0.0	0.0
Pyridine	0.0	0.0	0.0	0.0	0.0	1.0
N-hexane	2.3	0.0	0.0	0.0	0.0	10.2
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
TRIS(2-ETHYLHEXYL)	0.1	0.0	0.0	0.0	0.0	4.6
Sub-total (t)	7.7	3.0	0.0	0.0	0.2	153.1
Other substances (55 types) (t)	0.3	0.0	0.0	0.0	0.0	0.9
Total (t)	8.0	3.0	0.0	0.0	0.2	154.0
Dioxins*	4.2	1.0×10 <sup>-4</sup>	0.0	0.0	0.0	0.1

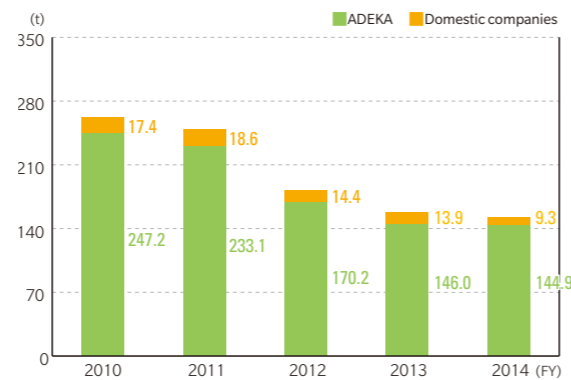
\*Dioxins: Unit: mg-TEQ

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)
- ADEKA FINE CHEMICAL (THAILAND) CO.,LTD. (January 2010)

#### 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)
- ADEKA PALMAROLE SAS (December 2013)

#### ISO 22000 (Certification for Food Safety)

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

#### FSSC 22000 (Certification for Food Safety)

- Kashima Plant–West (November 2011)
- Kashima Plant (November 2014)
- Akashi Plant (March 2015)

#### HACCP (Hazard Analysis and Critical Control Point)

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

#### 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
- 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 2011)



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