

► Chemical and Product Safety

Fiscal 2015 Targets

- Maintain the level of PRTR¹⁾ substance emissions to not more than 40% (medium-term target) of levels recorded in fiscal 2001.
- Work to reduce emission of PRTR substances with high emissions.
- Achieve VOC²⁾ emissions of not more than 40% (medium-term target) of levels recorded in fiscal 2000.

2015 Results

- Achieved targeted levels of PRTR substance emissions.
- Promoted efforts aimed at reducing emissions of benzene and glycidol with high emissions.
- Did not achieve targets for VOC emissions.

Fiscal 2016 Targets

- Maintain the level of PRTR substance emissions to not more than 40% (medium-term target) of levels recorded in fiscal 2001.
- Achieve VOC emissions of not more than 40% (medium-term target) of levels recorded in fiscal 2000.

■ Reducing PRTR Substance Emissions

In fiscal 2015, Daicel achieved its medium-term target of maintaining the level of PRTR substance emissions to not more than 40% of levels recorded in fiscal 2001 by reviewing wastewater treatment methods and disposing of off-gas by incineration.

■ Reducing Volatile Organic Compound (VOC) Emissions

In fiscal 2015, Daicel took steps to improve equipment flaws and the operating conditions of solvent recovery processes. As a result, the Company did reduce emissions year on year but was unable to achieve its medium-term target. In fiscal 2016, Daicel will continue to undertake a review of the conditions of such key aspects as solvent recovery in a bid to achieve its medium-term target.

■ Other Activities in Chemical Product Safety

Appropriate Control of PCBs

In compliance with the Waste Management and Public Cleansing Act and the Act on Special Measures Concerning Promotion of Proper Treatment of PCB Wastes, the Daicel Group conforms to appropriate practices for the storage and management of transformers, capacitors and other machinery containing polychlorinated biphenyls (PCBs), and is systematically disposing of the waste.

In fiscal 2015, low-concentration PCB waste from transformers and capacitors stored mainly at the Ohtake Plant was disposed of at pollution-free treatment facilities certified by the national government. Daicel will continue to systematically dispose of PCB-contaminated waste.

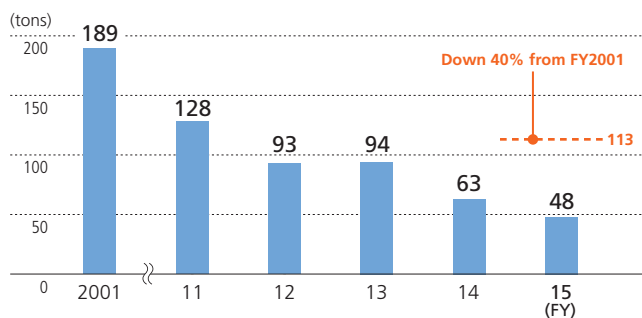
Chemical Substance Management

As chemical management regulations grow increasingly stringent worldwide, the Daicel Group is appropriately responding to laws and regulations in Japan and overseas. In regard to the representative European REACH³⁾ regulations, the Company is moving ahead with application preparations as planned with the aim of completing the registration of all chemical products with an annual export tonnage of 1 to 100 tons before the 2018 deadline. In addition, managers from internal companies and Group companies regularly meet to exchange information regarding law and regulation news and trends with the aim of thoroughly complying with laws and regulations on chemical substances in Japan and overseas.

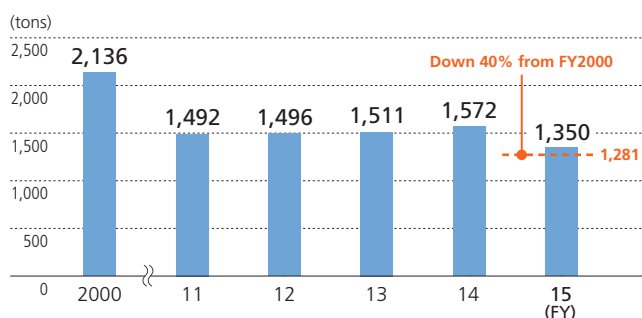
Through Daicel's unique chemical substance information management data bank called D-CLik, which commenced operations in 2010, the Company unified its chemical substance information on feedstock and products. The data bank is used to create the safety data sheet (SDS), hasten the provision of information to customers, assess risks associated with chemical substances and manage these risks.

We are also involved in GPS/JIPS⁴⁾, a voluntary chemical-industry initiative promoted by the Japan Chemical Industry Association (JCIA), and are promoting disclosure of product risk assessments and safety summaries.

■ Reducing PRTR Substance Emissions



■ Reducing Volatile Organic Compound (VOC) Emissions



What is...?

- 1) PRTR:** PRTR stands for Pollutant Release and Transfer Register. This is a system where business operators calculate the amount of chemical compounds emitted into the environment or transferred off-site for treatment or disposal during production, usage or storage in Japan and notify the government of these figures.
- 2) VOC:** VOC stands for Volatile Organic Compounds. Some of the most well known examples include toluene, xylene and ethyl acetate.
- 3) REACH:** REACH (Registration, Evaluation Authorization and Restriction of Chemicals) regulations mandate that producers must register their chemical products with the

European Union (EU) and conduct safety assessments, restrict their use, and control permits for their use.

- 4) GPS/JIPS:** GPS/JIPS stands for Global Product Strategy/Japan Initiative of Product Stewardship. It refers to voluntary actions of the chemical industry promoted by the Japan Chemical Industry Association (JCIA) and based on the chemical management strategy of the International Council of Chemical Associations (ICCA). Through these actions, the industry conducts risk assessments of chemical products, creates safety summaries to easily explain the results to people outside the industry, and makes these summaries available to the public.