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Corporate Social Responsibility Report 2015



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"Morino Chonai-Kai" (Forest Neighborhood Association) --
Supporting sound forest management



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Sumitomo Seika Group Corporate Philosophy

Management Policy

Our Group, as its basic policy, seeks to achieve co-existence and co-prosperity with society. Engaging in the chemical field, we will contribute to the growth of society by developing original and creative technologies that conform to global standards as well as supplying unique and high quality products both domestically and internationally.

Sumitomo Seika Group Charter for Business Conduct

- 1 We respect Sumitomo's operational rules and aim for co-existence and co-prosperity with society.
- 2 In the chemical field, we develop original technology accepted in the world, and contribute to society by supplying high quality products both domestically and internationally.
- 3 We observe laws in and outside the country as well as company regulations, social rules and ethics, and act with social sound judgment.

Corporate Image

- An R&D-oriented chemical company that keeps launching highly distinctive new products in growth fields
- A highly-profitable company specializing in a niche business globally with world-class technologies
- A company that fulfills social responsibilities and inspires its employees with a sense of pride and fulfillment

Sumitomo's operational rules

Business Principles	<ol style="list-style-type: none"> 1. Sumitomo shall achieve strength and prosperity by placing prime importance on integrity and sound management in the conduct of its business. 2. Sumitomo shall manage its activities with foresight and flexibility in order to act in concert with the changing times. Under no circumstances, however, shall it pursue easy gains or act imprudently.
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About this Corporate Social Responsibility Report

Our Group has been committed to Responsible Care activities for many years to ensure environmental protection, safety, and health in all phases of the product life cycle from development through production, distribution, use and consumption to final disposal or recycling.

With a focus on our RC activities, we now present extensive information on our relations with our customers, stockholders, business partners, local communities and other stakeholders in the form of CSR report. We hope that this and our future CSR reports will help familiarize an increasingly greater audience with our CSR policy and efforts, as we continue to upgrade the content.

This report has been prepared in line with "Environment Report Guideline 2012" and "Environment Accounting Guideline 2005" of Japan's Ministry of Environment, and the descriptions of this report have undergone independent third-party verification by Japan Chemical Industry Association.

Coverage of this report

- Organizations:**
1. Responsible Care performance data cover only the company's domestic bases.
 2. Consolidated subsidiaries are covered in corporate profile, financial data and site report.

Period: From April 1, 2014 to March 31, 2015

Major areas: CSR activities, and Environment and safety activities performance

Publication: Sept. 2015 (Next publication: Sept. 2016)

* Sumitomo Seika Group means a corporate group comprised of Sumitomo Seika Chemicals and its consolidated subsidiaries.

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Yusuke Ueda, President
Sumitomo Seika Chemicals Company Limited

Corporate Policy on Safety, Environment and Quality

Sumitomo Seika Chemicals performs activities, conforming to Sumitomo's Business Principles, with the corporate mission of contributing to the growth of society through the supply of unique and quality products and services that draw upon the strength of the Company's innovative and advanced technologies as well as to the formation of sustainable society in promoting business and in accordance with the basic principles of achieving "zero-accident and zero-injury operations", ensuring "customer satisfaction" and promoting "co-prosperity with society", while maintaining the fundamental policy of "Safety Comes First".

Based on these principles, Sumitomo Seika places the highest priority on realizing the following in tune with the objectives of the Responsible Care initiatives:

1. To ensure safety of employees and neighboring communities through continued achievement of "zero-accident and zero-injury operations";
2. To assure that all people concerned, including employees, logistics personnel, customers and general consumers, are free from health hazards, by ascertaining safety of raw materials, intermediates and products that the Company handles or supplies;
3. To supply quality products and services that are safe in use and meet customers' needs;
4. To protect the environment by assessing and reducing environmental load at all stages of a product lifecycle from development through disposal.

Each company section and every employee must fully recognize the vital importance of the above corporate policy and strive to address individual issues proactively and swiftly on their own initiatives and seek continual improvement in compliance with relevant laws and regulations.

(Revised March 2009)

Aiming to be a highly trusted company that contributes to building a sustainable society

In publishing this CSR Report

Sumitomo Seika Group, as its corporate policy, seeks to achieve co-existence and co-prosperity with society and contributes to the growth of society by developing original and creative world-class technologies in the chemical field and, capitalizing on them, supplying unique and high quality products both in Japan and abroad. In SEIKA PLAN 2015, our mid-term business plan formulated in June 2010, we set our goal to become an R&D-oriented chemical company, a highly-profitable company engaging in a niche business globally, and a company that fulfills social responsibilities and inspires its employees with a sense of pride and fulfillment.

Group-wide endeavor to complete SEIKA PLAN 2015*

The Plan outlines what SUMITOMO SEIKA GROUP aims to be, and the future direction the Group should follow. It is, as it were, a mariner's compass navigating us in a vast ocean of business opportunities where we implement a variety of action plans one after another to make our dreams come true.

Fiscal 2015 is of particular importance to our Group as it is a final year for consummating SEIKA PLAN 2015. We will implement what must be done without fail to achieve the targets of SEIKA PLAN 2015, and reassess the efforts that we have invested to date. During this fiscal year, we will also formulate the next mid-term business plan for FY 2016 and beyond, putting in shape what we would like our company to be in ten years' time. We will make group-wide strenuous efforts to complete SEIKA PLAN 2015 and take steps forward to lay the foundation for fulfilling the next mid-term business plan.

*Please refer to page 10 for details

Ensuring safe and stable operation

No company can survive without securing safety and maintaining stable operation. We, therefore, have been making steady efforts to ensure safety, bearing always in mind the importance of "trying to predict not just the predictable but the unpredictable" and following our fundamental management policy of "Safety Comes First". In FY2014, we conducted company-wide accident-response drills to elevate employees' risk/crisis management consciousness. Based on lessons learned from our past accidents and experiences from the drills we have conducted, we will continue to expend efforts on employee education and trainings for a further enhanced level of safety management.

Protecting the global environment

To protect the global environment, our Group has been taking a variety of initiatives such as promoting energy saving, reducing wastes and emissions of PRTR substances and VOC, and striving to achieve the "zero" occurrence of major problems associated with the environment. Going forward, we will continue to reduce emissions of PRTR substances and VOC and to improve our energy consumption rate through the introduction of new equipment. We will stand firm in our commitment to taking unabated actions also on other environmental issues, thereby serving to protect the environment.

The core concept of our CSR activities is to stay as a company that gains trust and confidence from every one of you as we work to offer new values to people, society, and the environment through conducting business activities according to our corporate policy and contributing to the building of a sustainable, safe and secure society. To this end, we will continue to ensure legal & ethical compliance, enhance an internal control system, and promote business activities in a fair and transparent manner, while always placing our first priority on safety to achieve "zero-accident and zero-injury operations". In addition, we will establish, maintain and improve our quality control system capable of securing high quality throughout the lifecycle of our products, from development to manufacture to logistics operation and delivery so that safe and secured products will reach the doorsteps of our customers in Japan and overseas.

This report outlines some of the CSR activities that Sumitomo Seika Group is undertaking, and we hope that you will find this report useful in understanding our CSR initiatives policy and ongoing concrete efforts. We will welcome any comments or opinions from you to further improve our CSR activities in the years ahead. We would greatly appreciate your continued support and cooperation.

September 2015

Sumitomo Seika in daily life

Sumitomo Seika Chemicals develops products which make daily life more convenient and comfortable, with consideration for Safety, Environment and Quality in various applications.

Super Absorbent Polymers

The Super Absorbent Polymer "AQUA KEEP", which displays superb water absorption and retention functions, is utilized for disposable diapers and other hygiene products as well as various industrial products. It has been highly appreciated by our users.

Functional Chemicals

We offer a wide variety of functional chemicals, such as water-soluble polymers, water-absorbent polymers, emulsion, latex, and powdered plastics, all of which are utilized in a number of familiar and diverse situations for a variety of reasons, such as shampoos, detergents, cosmetics, polymer coating, special adhesives, and rubber products.

- Water-soluble Polymers
- Water-Absorbent Polymers
- Emulsion
- Latex
- Powdered Plastics

Fine Chemicals

We offer fine chemicals, such as pharmaceutical intermediates and various products for electronics materials, while utilizing our flagship synthetic technology of organic sulfur compound. We also run various production facilities with a broad range of applications in order to meet user needs by flexibly managing both pilot and large-scale productions under our established quality control system.

- Pharmaceutical-related Products
- Various Additives
- Various Industrial Chemicals
- Functional Materials

Gases

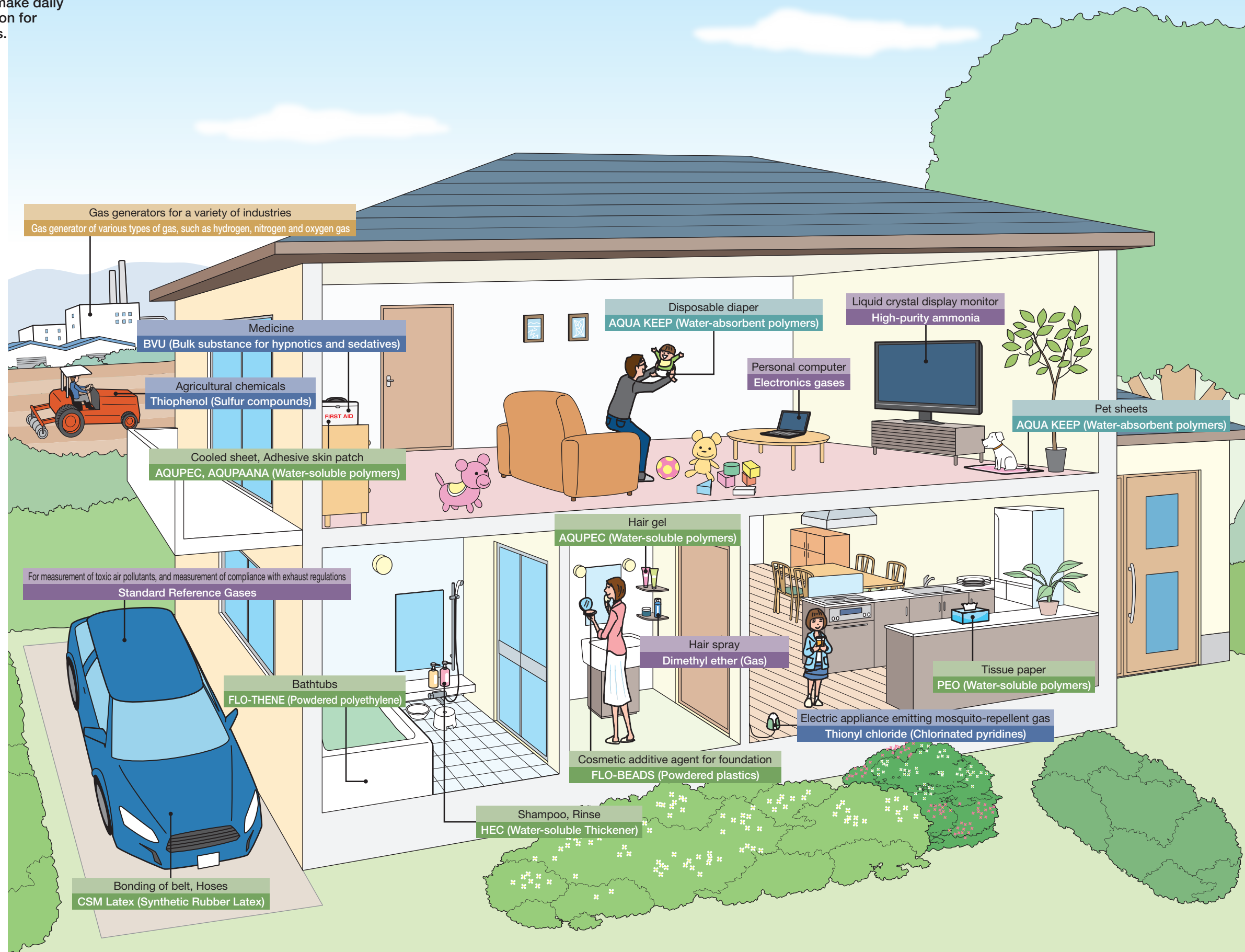
Capitalizing on our advanced synthesis, purification and analysis technologies, we offer cost-competitive high-purity gases that meet every user's needs in the fields of semiconductor gases, standard gases used for environmental monitoring and calibration of analytical equipment, and industrial gases used as basic materials.

- Electronics Gases (Semiconductor Gases)
- Mixed Gases
- Standard Gases
- Gases for precision Industries
- Medical Gases
- Gases used in daily life

Engineering

Since our energy-saving gas generators, with a gas purification and separation system utilizing a PSA (pressure swing adsorption) method with highly efficient absorbency, have the advantage of being highly reliable and energy efficient, they are used all over the world.

- PSA System PSA Gas Generator (O2-PSA, N2-PSA, H2-PSA, etc.)
- Chemical Plant



CSR digest

Here are summaries of our CSR activities in FY2014.

Unit energy consumption
0.5%
reduction compared
to FY2013
Please refer to page 17

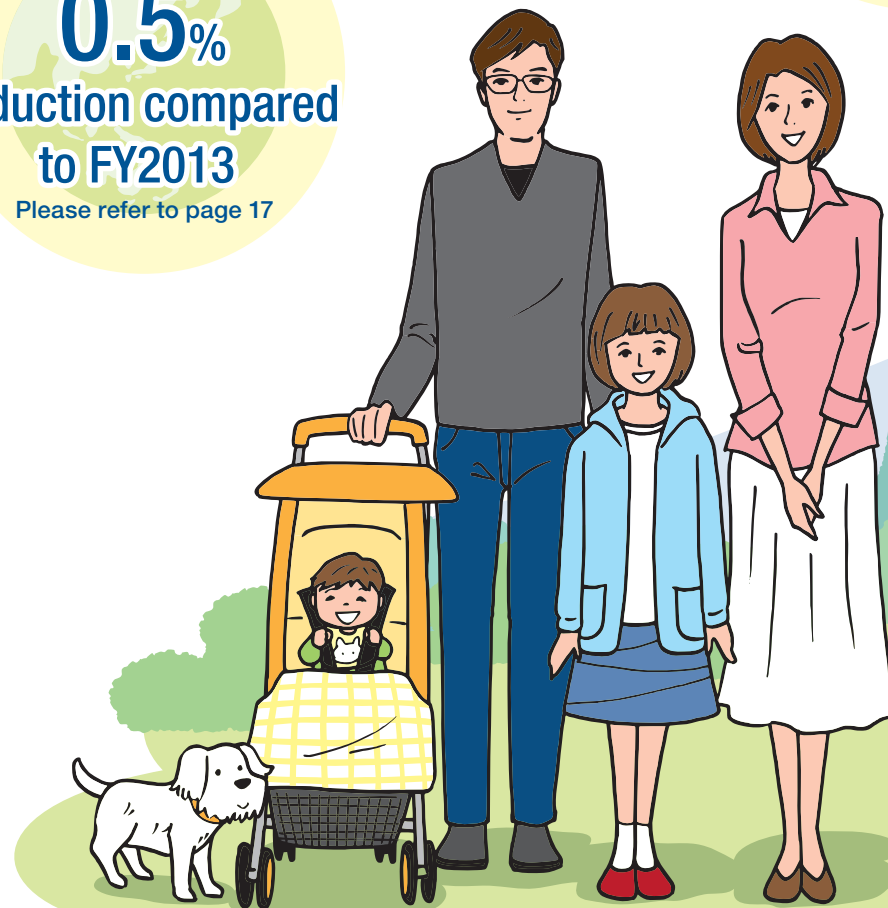
Environment-related trouble

Zero

Environment-related complaint

One (Noise complaint)

Please refer to page 18



For the safety

In FY 2014, we achieved zero accident with lost work days by promoting near-miss incident reports and KY activity, pointing and calling, 3S and visualization.

As part of chemical safety initiatives, we ensure the provision of MSDSs and warning labels, and participate in Japan Initiative of Product Stewardship (JIPS).

*MSDSs: or SDSs depending on the customer's country



Accident with lost work days

Zero

Please refer to page 19

Chemical Safety

Provision of MSDSs and warning labels
Participation in JIPS

Please refer to page 23

For environment

We are working on activities for promoting global warming countermeasures and energy conservation, reducing PRTR substances and Volatile Organic Compounds (VOC) emissions and an amount of waste as well as preventing environmental pollution (air-water-soil).

In FY2014, we were able to attain a 0.5% reduction in unit energy consumption compared to FY2013.

However, we received one complaint about noise.

For the society

We promoted communication activities with various local people to establish and sustain good relationship with local community. Here described are our major activities.

- Environmental education program for children (Fun chemistry class/Hyogo)
- Support for environmental events of communities (Himeji Environmental Festival/Hyogo)
- Internship programs (intern students from high schools and junior high schools as part of Hyogo Prefecture's educational program/Hyogo)
- Community beautification and cleanup
- Communication with local community
- Blood donation

Consolidated financial results for fiscal 2014

Operating results

During the twelve months ended March 31, 2015 (fiscal 2014), Japan's economic recovery continued to run short of powerful momentum, affected by sluggish consumer spending as a result of a raise in the consumption tax rate at the beginning of the fiscal year, a sharp drop in crude oil price in the latter half of the fiscal year, etc., although the corporate sector saw a trend for improvement in financial performance owing to the yen's further depreciation having taken place with enhanced monetary easing measures taken by the Japanese government and the Bank of Japan. Globally, there generally lingered an unremoved concern over a possible business downturn, given such developments as a reinforced mood of stagnation in European economies for reasons including geopolitical factors as well as an economic slowdown in China and other emerging countries, although the U.S. economy stayed solid in performance.

Under these circumstances, the Sumitomo Seika Group's financial results for fiscal year 2014 were as follows:

Net sales posted 92.698 billion yen, a 2.3% decrease compared with the previous fiscal year;

Operating income was 7.252 billion yen, a 10.0% decline from the previous fiscal year;

Ordinary income remained at 8.265 billion yen, 6.2% lower than the previous fiscal year;

and Net income amounted to 5.543 billion yen, down 2.0% year-on-year.

(Note) Change in the fiscal year closing date of consolidate subsidiaries

In order to ensure more appropriate management and information disclosure of Sumitomo Seika Group's financial performance, some of our overseas consolidated subsidiaries have successively changed, starting fiscal year 2013, their fiscal year closing date from December 31 to March 31, the closing date of our consolidated financial statements. As a result, financial results for the fifteen months from January 1, 2014 through March 31, 2015 were consolidated for three of our subsidiaries in the previous fiscal year and two subsidiaries in the current fiscal year. If an impact attributable to difference in a consolidation term for these overseas consolidated subsidiaries was removed from our financial results, net sales would increase by 2.276 billion yen (+2.5%), operating income would decrease by 0.277 billion yen (-3.7%) and ordinary income would increase by 0.040 billion yen (+0.5%), all compared with the previous fiscal year.

Financial results by business segment were as follows:

Chemicals

As a result of sales increase in industrial chemicals, fine particulate polymers, etc., this segment reported a 7.0% increase in net sales over the previous fiscal year, amounting to 20.528 billion yen. Operating income improved by 1.636 billion yen to 1.553 billion yen owing to an increase in sales volume, reduction in cost, etc. The impact of a change in the fiscal closing date with respect to overseas consolidated subsidiaries was minimal for this segment.

Super Absorbent Polymers

Net sales were 58.870 billion yen, a 7.0% decrease from the previous fiscal year, and operating income was 4.812 billion yen, a 35.1% decline from the previous fiscal year. If necessary adjustments were made to make a fair comparison in financial results for the same period between the current fiscal year and the previous fiscal year by excluding the impact of a change in the fiscal closing date for relevant overseas consolidated subsidiaries, net sales would increase by 0.129 billion yen, staying flat, and operating income would decrease by 2.022 billion yen, down 29.6%. This outcome is attributable to selling prices having been reduced in light of the circumstances where super absorbent polymers in the market increased sharply in supply owing to capacity expansions at fellow producers' production facilities as well as market pressures bringing product selling prices down in tune with a drop in crude oil price. In addition, with a certain expanded production facility of ours to become operational in 2015, adjustment was carried out to reduce inventories to an appropriate level. As a result, operating income declined despite the sales volume having grown larger than the previous fiscal year.

Gases and Engineering

While the engineering business continued to face challenges, sales of electronic gases stayed solid. As a result, this segment's net sales increased by 7.0% to 13.299 billion yen over the previous fiscal year, and operating income increased by 24.7% to 0.896 billion yen from the previous fiscal year. The impact of a change in the fiscal closing date with respect to certain overseas consolidated subsidiaries was minimal for this segment.

Mid-term Business Plan: SEIKA PLAN 2015

In April 2010, we formulated its mid-term business plan, SEIKA PLAN 2015, for the six years from FY2010 to FY2015. During the past three years from FY2010 to FY2012, we worked vigorously toward achieving the PLAN's goal of attaining the net sales of 100 billion yen by end of FY2015, following the basic policy of expanding a business scale and establishing a solid foundation for stable earnings. In order to ensure achieving the goal, we have set numerical performance targets for each of the next three years from FY2013 through FY2015.

[SEIKA PLAN 2015]

Aiming to become a global-scale specialty chemical company
- Expansion of a business scale and establishment of a solid foundation for stable earnings -

Management Policy

Our Group, as its basic policy, seeks to achieve co-existence and co-prosperity with society. Engaging in the chemical field, we will contribute to the growth of society by developing original and creative technologies that conform to global standards as well as supplying unique and high quality products both domestically and internationally.

Corporate Image

- An R&D-oriented chemical company that keeps launching highly distinctive new products in growth fields
- A highly-profitable company specializing in a niche business globally with world-class technologies
- A company that fulfills social responsibilities and inspires its employees with a sense of pride and fulfillment

Business Strategy

- Strengthening profitability through enhanced operation of high-performance product business
- Expanding the business scale of Super Absorbent Polymers

Objectives by segment

[Chemicals Division]

Enhancing profitability by developing niche and high-performance products and expanding their businesses globally.

- Strengthening overseas marketing force to expand sales into global markets
- Increasing profitability by enhancing high-performance product lines through quality differentiation
- Accelerating new product launch by focusing R&D resources on priority programs
- Advancing business structural reforms

[Super Absorbent Polymers Division]

Expanding the business strategy deployment from an Asia-centered platform to a global arena.

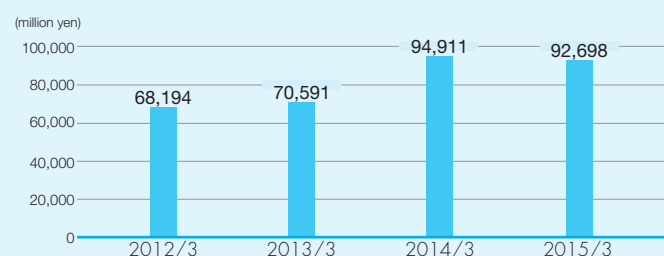
- Increasing our production capabilities to 300,000 tons annually by end FY2015 to meet growing global demand
- Raising the sales ratio of high-performance (high-value-added) products
- Promoting product development by taking advantage of our SAP characteristics, while strengthening competitiveness

[Gas and Engineering Division]

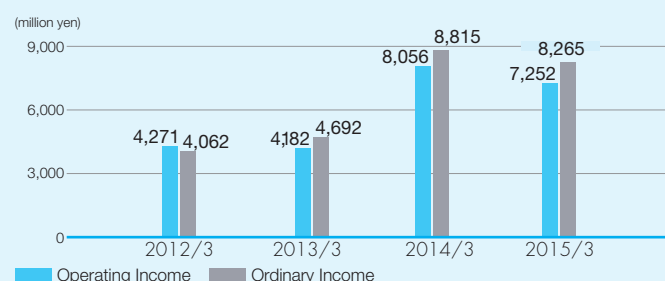
Expand the business scale with a focus on the electronic materials field.

- Expanding the electronic gas business with a focus on NH3
- Securing stable income from matured products
- Promoting a rare gas recovery business

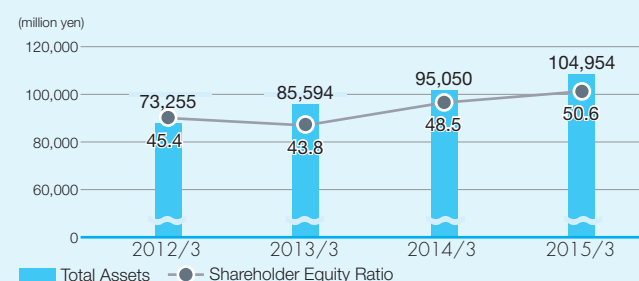
Net Sales



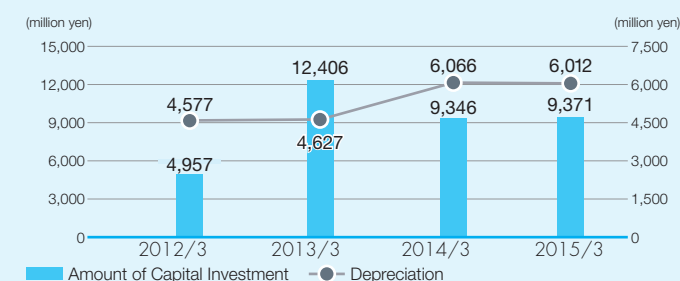
Operating Income/Ordinary Income



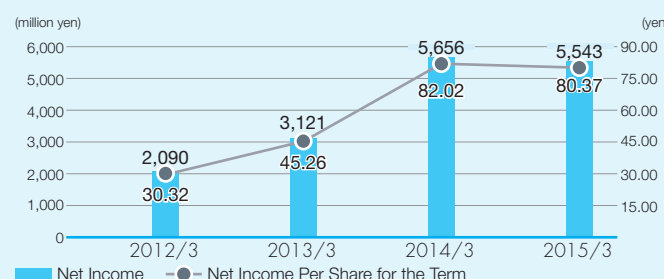
Total Assets/Shareholder Equity Ratio



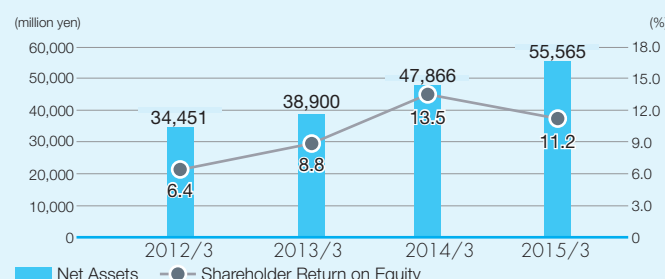
Amount of Capital Investment/Depreciation



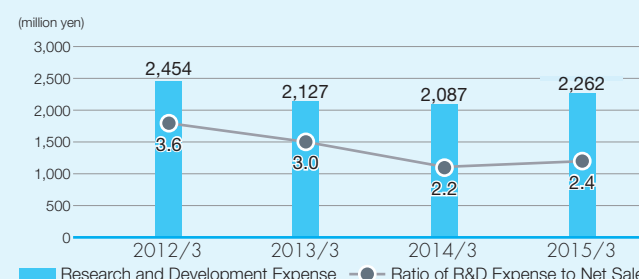
Net Income/Net Income Per Share for the Term



Net Assets/Shareholder Return on Equity



Research and Development Expense/Ratio of R&D Expense to Net Sales



Corporate profile

Corporate profile

Established	July 20, 1944
Capital	9,698 million yen
Number of employees	1,132 as consolidated as of March 31, 2014

Major lines of business

Business segment	Main products
Chemicals	Fine Chemicals (Industrial Chemicals, Pharmaceutical-related Products, and Functional Materials, etc.), Functional Chemicals (Water-soluble Polymers, Fine Particulate Polymers, etc.)
Super Absorbent Polymers	Super Absorbent Polymers
Gases and Engineering	Medical Gases, Chemical Gases, Standard Gases, Electronics Gases, Generators of oxygen, nitrogen and hydrogen gas (PSA method), and General chemical machinery, etc.

Business locations in Japan

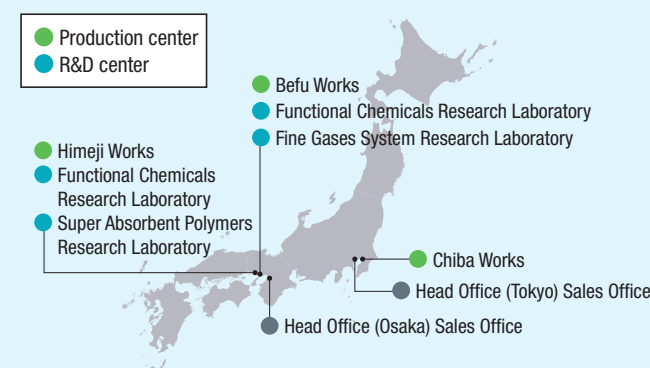
Head Offices	Osaka, Tokyo	Plants	Befu Works (Hyogo), Himeji Works (Hyogo), Chiba Works
Sales Offices	Osaka, Tokyo	Research Laboratories	Super Absorbent Polymers Research Laboratory (Hyogo), Functional Chemicals Research Laboratory (Hyogo), Fine Gases System Research Laboratory (Hyogo)

Fine Chemicals Research Laboratory was abolished and integrated into Functional Chemicals Laboratory on April, 2015.

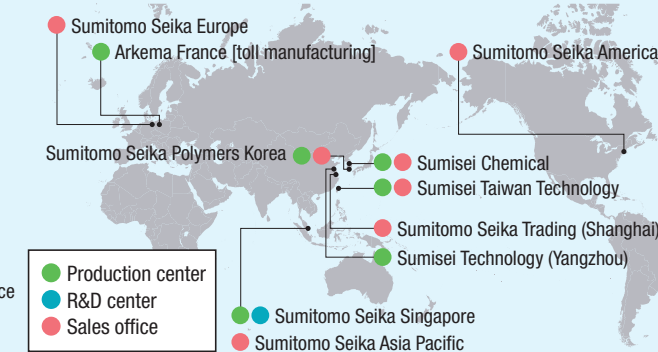
Consolidated subsidiaries

	Corporate name	Lines of business
Domestic subsidiaries	Seika Techno Services Co., Ltd.	Various services
	Seika Engineering Co., Ltd.	Manufacture of various kinds of chemical plants and tanks
Overseas subsidiaries	Sumitomo Seika Europe S.A. /N.V. (Belgium)	Sales of Super Absorbent Polymers and other chemical products
	Sumitomo Seika Polymers Korea Co., Ltd.	Manufacture and Sales of Super Absorbent Polymers
	Sumitomo Seika Singapore Pte. Ltd.	Manufacture of Super Absorbent Polymers
	Sumisei Chemical Co., Ltd. (Korea)	Manufacture and Sales of Electronics Gases
	Sumisei Technology (Yangzhou) Co., Ltd.	Manufacture of Electronics Gases
	Sumisei Taiwan Technology Co., Ltd.	Manufacture and Sales of Electronics Gases
	Sumitomo Seika Asia Pacific Pte. Ltd. (Singapore)	Sales of Super Absorbent Polymers and other chemical products
	Sumitomo Seika Trading (Shanghai) Co., Ltd.	Sales of Super Absorbent Polymers and Gases products
	Sumitomo Seika America, Inc.	Sales of Super Absorbent Polymers and other chemical products

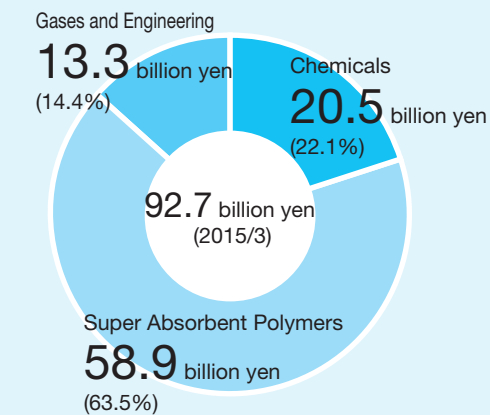
Business locations in Japan



Business locations overseas



Breakdown of net sales as consolidated



CSR management

We conduct business based on principles of the Group's charter for business conduct, in order to be a trusted company that answers to expectations and demands of the society. We continue our efforts to realize a better society while maintaining and improving our corporate philosophy.

Corporate governance

Basic stance on corporate governance

Our Group maintains a management policy aimed at building a solid business infrastructure and contributing to social progress in response to the mandate from our stakeholders. Under this policy, we strongly believe it is highly important to further strengthen our corporate governance. To gain unfailing trust of our stakeholders, we execute corporate governance aimed at quickly and properly disclosing information on processes and results involved in carrying out efficient and fair management practices.

Corporate governance structure

We strengthen our corporate governance structure by separating decision-making and supervisory functions from execution functions; the directors are responsible for formulating our basic corporate policies, making strategic decisions, and supervising our operations, while the executive officers focus on carrying out business operations. We have also adopted an Executive Officer System in order to boost management efficiency and competitiveness. In addition, our directors' term of office is set at one year, which allows for greater flexibility in responding to changes in the business environment. The executive officers carry out operations in their entrusted business areas based on the Board's strategic management planning.

The Management Meeting, where the full-time directors are present, deliberates our important management issues as well as matters to be reported or submitted to the Board of Directors.

The Audit Committee exchanges information with each director on a regular basis, and appropriately monitors the legality and adequacy of directors' execution of duties.

In order to ensure that our internal control system works effectively, we have organized Internal Control Committee (Chairman: President) which

oversees Risk & Compliance Committee (to supervise risk management and legal compliance) and Responsible Care Committee (to supervise matters related to safety, environment and quality). With such control system structure, we seek to tackle various business challenges and secure efficient and fair operations.

Internal control

The Board of Directors has approved a basic policy for improving our internal control system, and has declared, within and outside the company, the establishment and improvement of systems designed to ensure that the directors' execution of duty complies with laws and the company's articles of incorporation, appropriate operations are maintained, and an effective audit by Corporate Auditors is in place.

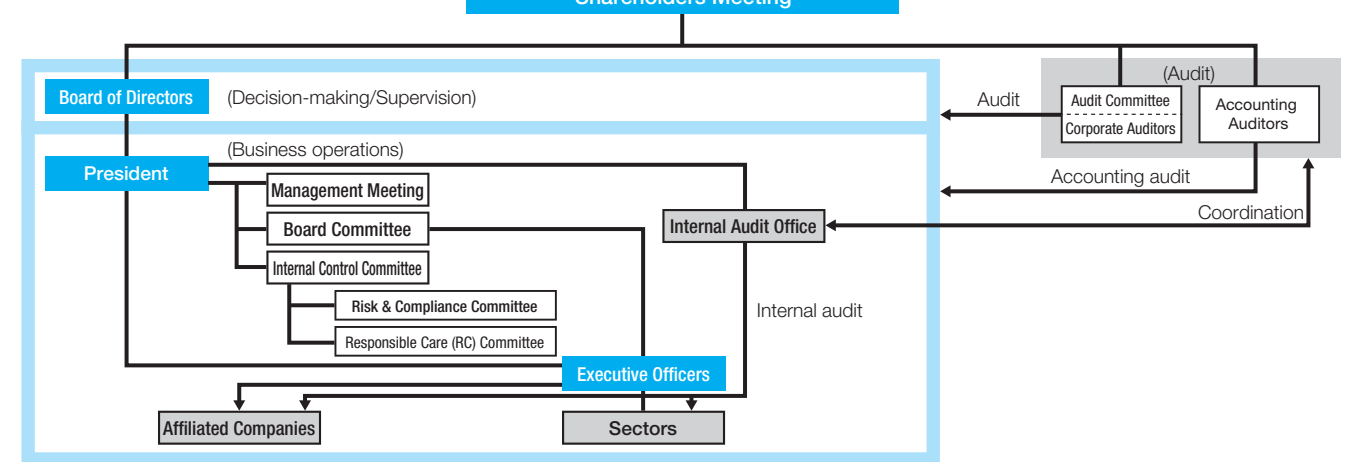
Internal audit

For the purpose of monitoring our group's operations, the Internal Audit Office carries out an internal audit. This self-audit system helps prevent a breach of compliance and increase operational efficiency.

Timely disclosure

We seek to provide information necessary for investment decisions in a timely and appropriate manner, and will continue to promote and enhance our IR and PR activities. We have designated a department to be in charge of the IR and PR activities, seeking to promote the timely and appropriate disclosure of information and dialogue with society.

Corporate Governance Structure



Compliance

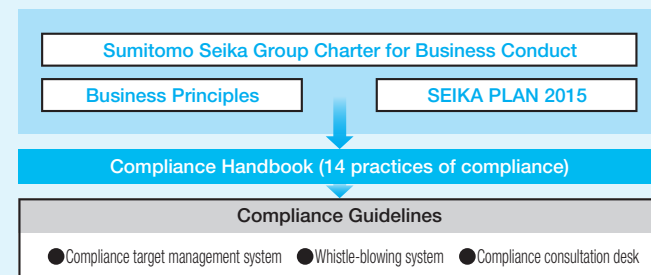
We have formulated the Sumitomo Seika Group Charter for Business Conduct, and strive to ensure all employees understand the importance of complying with the principles of the charter.

Sumitomo Seika Group Charter for Business Conduct

1. We respect Sumitomo's operational rules and aim for co-existence and co-prosperity with society.
2. In the chemical field, we develop original technology accepted in the world, and contribute to society by supplying high quality products both domestically and internationally.
3. We observe laws in and outside the country as well as company regulations, social rules and ethics, and act with social sound judgment.

Based on the Charter for Business Conduct, we set out the specific action guideline.

Sumitomo Seika Group Compliance Organization



Our efforts to secure effective compliance management

● Compliance target management system

The Risk & Compliance Committee sets out respective company-wide annual targets including those of compliance and translate them into targets for each sector, whereby ensuring effective accomplishment of all such targets.

● Whistle-blowing system

We have an internal and external whistle-blowing system to help prevent a breach of compliance.

● Compliance consultation desk

We have a compliance consultation desk to answer questions our employees have on issues related to compliance.

● Compliance education and training

We provide various educational and training programs for employees of various positions, from entry-level personnel to newly appointed managers, to raise the level of compliance awareness among all employees, and to maintain effective compliance management.

Risk management

We improve our risk management system and increase the effectiveness of our risk management.

Risk management system

● Preventive measures

We have the Risk & Compliance Committee and the RC Committee to evaluate level of impact and severity of each of possible risks and consider preventive measures. They are responsible for assessing impacts of various risks and setting up group-wide annual targets while taking into account the priority and severity of each such risk. They also review the current risk management system to improve our future risk management activities.

● Emergency response

We have established a rule for setting up an emergency task force in case of emergencies in order to minimize the effect on our operations, limit the extent of damage, stabilize the situation and restore operations as quickly as possible, and to develop preventive measures. Emergencies are any unplanned events, such as incidents, accidents, natural disasters, or other situations that can cause deaths or injuries, or threaten the company's financial standing or public image.

Management cycle for risk and compliance

Action

Setting up plans and assessing achievement

- Evaluate performance (Risk and Compliance Committee)
- Solve problems, Implement countermeasures
- Reflect the year's achievement in the next year's plan

Check

Assessing achievement

- Conduct audits
- Conduct compliance awareness questionnaire
- Provide consultation (compliance consultation desk)

Plan

Create an action plan

- Organize a system
- Set each sector's annual risk and compliance target

Do

Put the action plan into action

- Implement each sector's annual plan
- Review compliance handbook
- Conduct education and trainings
- Provide legal information by the use of intranet

Responsible Care

Policy and organization

We are committed to implementing Responsible Care activities, which are to voluntarily ensure environmental protection, safety, and health, and to maintain dialogue and communication with society.

Policy

Sumitomo Seika Group has set "Corporate Policy on Safety, Environment and Quality" with the basic principles of achieving "zero-accident and zero-injury operations", ensuring "customer satisfaction"

and promoting "co-existence and co-prosperity with society", while maintaining the fundamental policy of "Safety Comes First". Responsible Care initiatives, among others, are extremely important issues for our chemical industries in order to continue sustainable development and gain trust and confidence from society. Having been participating in Responsible Care since 1995, we not only comply with related laws and international rules but also voluntarily work on environment protection, occupational safety, and disaster prevention.

Incidentally, to further augment our RC activities and communicate the activities to society, we became a signatory to the Responsible Care Global Charter in 2014.

Responsible Care Global Charter was first established in 2006 and revised in 2014.

Signatories to the Charter are to actively strengthen their Responsible Care activities while being committed to the following six elements:

- 1) A Corporate Leadership Culture
- 2) Safeguarding People and the Environment
- 3) Strengthening Chemicals Management Systems
- 4) Influencing Business Partners
- 5) Engaging Stakeholders
- 6) Contributing to Sustainability

Organization

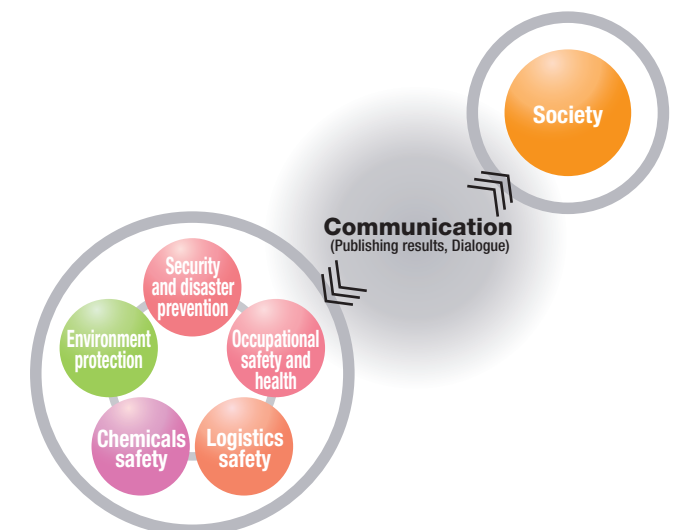
RC activities require major investment decisions at times, in an effort to address such issues as environment protection, occupational safety, and disaster prevention. We have formed the RC Committee under the Internal Control Committee for the purpose of precisely judging rightfulness of plans and executions of our RC activities. These Committees respectively meet every year to deliberate and decide on policies and plans, and to make sure that the PDCA cycle of RC activities is successfully implemented in accordance with the management system.

RC audit

Annual audit is implemented by a specialized unit established by the RC chairperson at 3 Japanese works and 4 overseas sites, in order to continually improve the PDCA. We check the implementation of RC action programs through the RC audit, and report the results at the Internal Control Committee and the RC Committee, of which we make the best use for the management review.

What is Responsible Care?

Responsible Care refers to voluntary activities by many chemical companies handling chemical substances aimed at preserving "environment, safety and health" in all phases of the product cycle from development to disposal or recycling via production, distribution, use, and final consumption, while publishing results of activities and maintaining dialogue and communication with society. Responsible Care is a global initiative, adopted in more than 60 countries around the world.



Activities and achievements

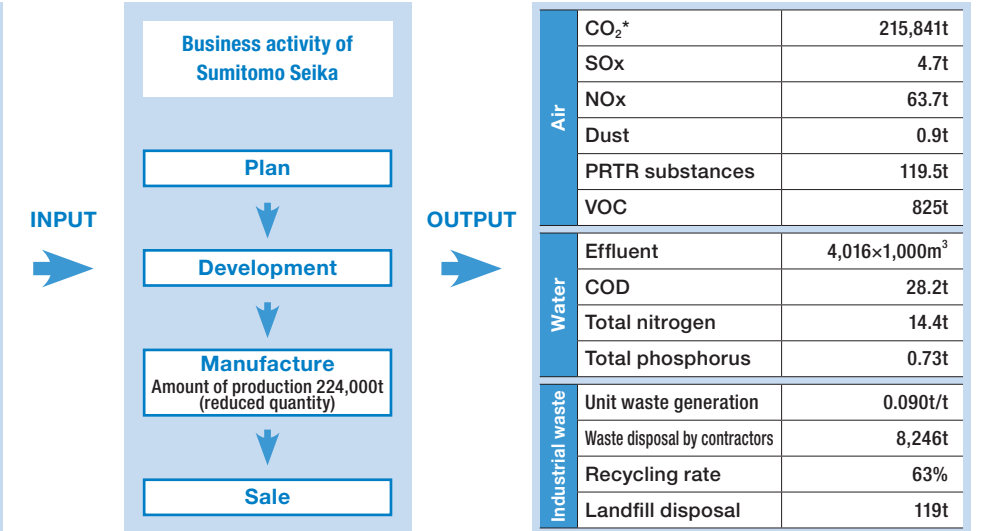
Report on our 2013 RC targets and achievements, environmental burden, environmental accounting outlining costs allocated to reduce environmental load, and economic effects achieved.

Area	Target	Action plans and results 2014		Rating
		Action plans	Achievement of the target	
Compliance with Law	1) "Zero" Violation of Law 2) Compliance with in-house rules	1) Monitor compliance and make improvements if necessary 2) Ensure that the information on revisions of laws and regulations is shared internally	Violation :0 We shared information on revisions in meetings, email and in-house database.	◎
Occupational safety	"Zero"- accident with lost workdays / without lost workdays, "Zero"- traffic accident (offending)		Accident involving lost workdays: 0 Accident involving no lost workdays: 3 Traffic accident (at fault): 8 cases	△
Health	Reduction in the number of absentees due to sickness / private injury, and establishment of a comfortable work environment	1) Creating comfortable work environment to ensure employees' well-being	We worked to reduce overtime hours, encouraged employees to take paid holidays, and improved mental health programs as well as physical checkups.	○
Disaster prevention	"Zero" major accident	1) Carry out thorough risk analysis on production process at existing plants	Major accident: 0 Minor accident: 31	◎
Chemicals safety	Promotion of rightful control of chemicals	1) Appropriate response to overseas chemical regulations 2) Participation in global product strategy (JIPS :Japan Initiative of Product Stewardship)	We are committed to strict compliance with regulations such as REACH and EU-CLP We assessed the risk of ammonia, prepared a safety summary sheet, and registered it on the ICCA webpage.	◎
Logistics safety	"Zero" major accident during transportation	1) Assistance to logistics contractors for their safe transportation 2) Simulation training on handling of accident during transportation 3) Thorough implementation of measures to prevent accidents during high-pressure gases delivery	Major accident in logistics: 0 Security education and training: 11 times Accident simulation training: 1 time We had our logistics subcontractors of high-pressure gases prepare SOP for loading and unloading using a tail gate lifter.	◎
Global warming / Energy saving	Promotion of environmental protection by energy saving 1) Unit energy consumption: 1% reduction compared to FY2013 2) Unit energy consumption in transportation: 1% reduction compared to FY2013	1) Systematic improvement of high unit energy consumption processes 2) Minimization of unit energy consumption in new process and modified process 3) Implementation of modal shift and transportation efficiency plans	Unit energy consumption: 0.363, an 0.5% reduction compared to FY2013 Unit energy consumption in transportation: 5.13, a 13.8% reduction compared to FY2013	○
Solid waste management	Reducing waste 1) Unit waste generation: 0.138t/y (AK production volume equivalent, FY2010) 2) Recycling rate: 60% 3) Final landfill disposal: Less than 1% of total waste	1) Minimization of waste generation in new process and modified process	Unit waste generation: 0.090t/y Recycling rate: 63% Final landfill disposal: 119t/y (1.0% of total waste)	◎
PRTR and Volatile organic compounds (VOCs)	1. PRTR substances 1) Hexane : Less than 50 t/y 2. VOC emissions: 1) Heptane : Less than 400 t/y 2) Pentane: Less than 120 t/y	1. PTBR 1) Minimize emissions in new process and modified process 2. VOC 2) Implementation of reduction in VOC emissions	We were not able to achieve the targets, and will continue our efforts to reduce emissions. 1. PRTR 1) Hexane: Less than 96 t/y 2. VOC 1) Heptane : Less than 559 t/y 2) Pentane: Less than 94 t/y	△
Environmental protection (air, water and soil)	"Zero" serious environment-related troubles	1) Proper operation of effluent monitoring system and appropriate measures at the time of abnormality	Major environment-related trouble: 0 We had one noise complaint.	○
Approach to globalization	Improving safety and environmental management as well as quality management system to prepare for globalization	1. Safety and environment 1) Accident reports and incident reports, and share of information among the Group on each accident which actually occurred 2) Provide overseas works/offices with support in responding to local administrative requirements 3) Support safety management operations at overseas works, and monitor their operations through RC audit 2. Quality Assurance (QA) 1) Quality audit of our group companies (plants) 2) Share of information relating to quality troubles 3) Continued support for our overseas manufacturing sites (China, Korea, Taiwan, Singapore, and France) 4) Introduction of AK analysis method ISO17190	Overseas works Accident involving lost workdays: 1 Accident involving no lost workdays: 1 We distributed accident reports and trouble reports to the Group to prevent occurrence of similar accidents We conducted RC audit (safety, environment and quality) of our overseas group companies.	◎
Quality	1) "Zero" major product quality problems 2) Reduction in the number of complaints, quality claims, and in-process non-conformities (a 30% reduction from FY2012 baseline of problems attributable to us.)	1) Improvement of QA awareness, 2) Maintenance of gas QA system 3) Introduction of GMP QA system 4) Implementation of statistical process control (SPC) of in-process materials (with a focus on contamination control) 5) Improvement of maintenance QA 6) Improvement and operation of total management system of quality information (including loss cost information)	Major complaints: 0 Customer complaints and non-conformance: 89 We were not able to achieve 30% reduction from FY2012.	△
Disclosure of information and social contribution	Communication with stakeholders by disclosure of RC information, and contribution to the community	1) Promotion of communication with and contribution to the local communities	We conducted information exchange meetings and events, including emergency drills, with neighboring communities on a regular basis.	◎

◎ : Target achieved ○ : Almost achieved △ : To be achieved

2014 environmental load

Energy consumption (crude oil equivalent)	81,191kl
Amount of water used (except for cooling seawater)	5,142×1,000m ³
Amount of raw materials used	241,000t and 2,040×1,000m ³ (gases)



* Including discharge amount of Head Offices

Environment Accounting

Sumitomo Seika introduced the environmental accounting system to quantitatively gather and evaluate data on environment-related expenses, investments and economic results, thereby taking more efficient environmental measures.

The calculation was made based on Environment Accounting Guideline of Ministry of Environment and Environment Accounting Guideline of Japan Chemical Industry Association.

Classification of environmental cost		Major initiatives		Counting for 2013		Counting for 2014	
				Amount of investment	Amount of expenses	Amount of investment	Amount of expenses
Business area costs	Pollution prevention costs	Prevention of air pollution	Measure to control discharge of chemical substance	52	166	45	158
		Prevention of water pollution	Enhancement of effluent control Maintenance / management of effluent treatment facility	59	295	10	246
		Others	Prevention of noise and odor	3	3	0	0
Global environmental protection costs (global warming, energy saving)		Global warming and energy saving	91	2,486	683	2,642	
Resource recycling costs		Waste disposal and recycle	0	335	6	358	
Upstream / Downstream costs		Use of environmentally-friendly packaging materials	0	1	0	1	
Administrative costs		Costs associated with monitoring environmental load and managing operations of environment protection systems	11	156	22	155	
R&D costs		R&D for gas-recovery unit and environmental load-reducing technologies	66	343	106	314	
Social activity cost		Protection of natural environment, enhancement of greenery, natural beauty, and landscape preservation	0	1	0	1	
Environmental remediation costs		Environmental remediation costs	0	0	0	0	
Total				282	3,786	872	3,875

Counting for 2013: April 1, 2013 - March 31, 2014

Counting for 2014: April 1, 2014 - March 31, 2015

Scope: Our domestic bases only

Method of calculation: Investment and cost for environment protection are calculated on a prorata basis from the total amount

Counting for 2014			(Unit: million yen)
Kind	Contents	Amount	
Cost saving	Reduction of steam consumption by introduction of high-efficiency dryer	370	
	Reduction in discharge of VOC induced reduction in purchase cost of solvents	295	
	Reduction of industrial waste disposal costs by enhancing the sludge treatment equipment	227	
	Reduction of amount of purchased electricity, and improvement of steam generation efficiency	73	
	Reduction of LNG consumption by recovering condenser water	50	
	Others	45	
Total		1,060	

Period: April 1, 2014 - March 31, 2015

Scope: Our domestic bases only

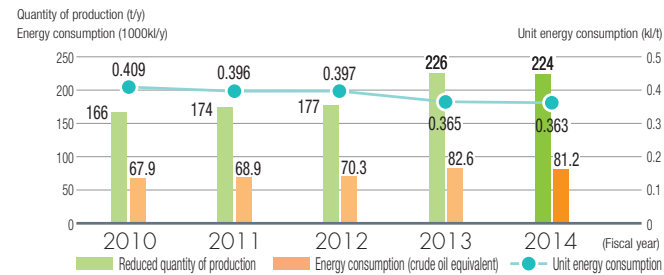
Environmental protection

Sumitomo Seika continues to make efforts to reduce our environmental load for improvement of our natural environment.

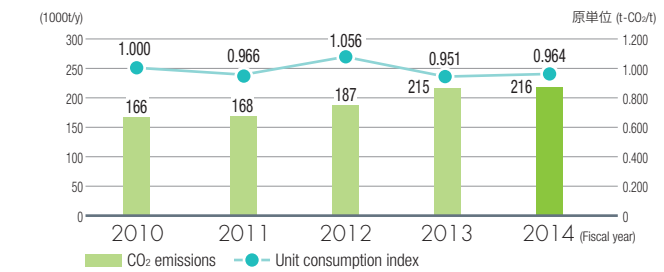
Energy saving / Global warming

We manage energy consumption and CO2 emissions per unit production of our main products in terms of "Unit consumption", reduction of which we endeavor to achieve.

Trend of energy consumption



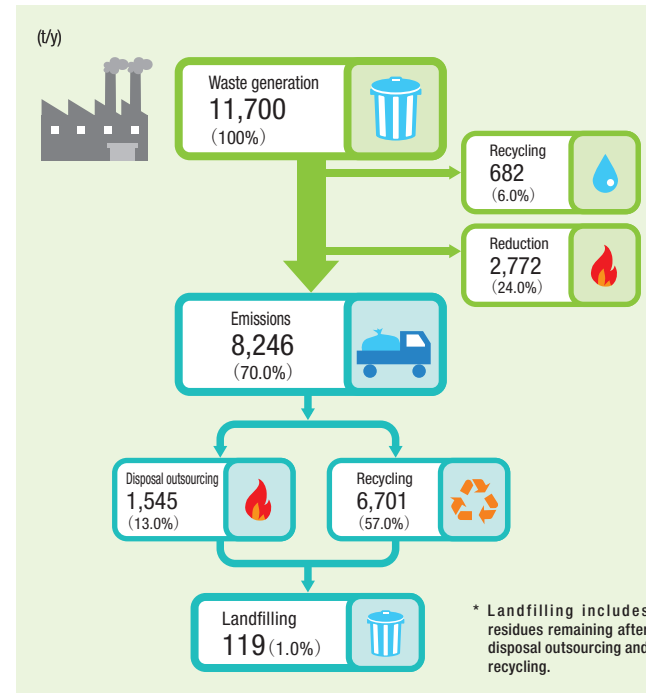
Trend of CO2 emissions



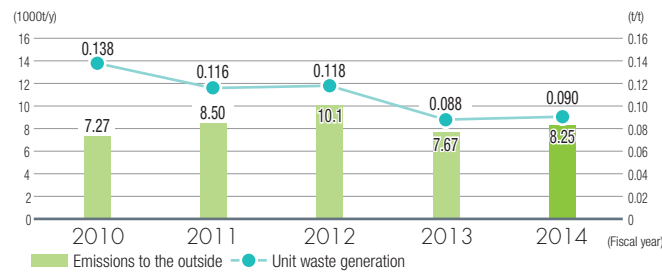
Waste reduction

We comply with Waste Management Law, while carrying out separation, management of manifest and requesting proper management to industrial waste disposal operators.

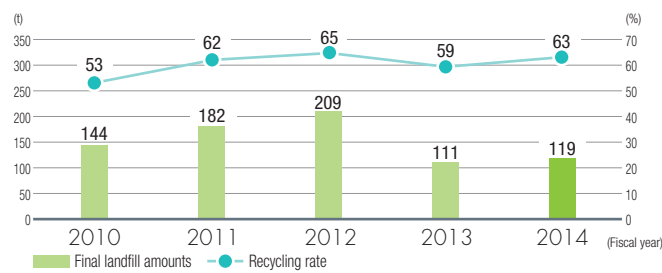
Waste disposal



Trend of unit waste generation



Amount of final landfilling and trend of recycling rate

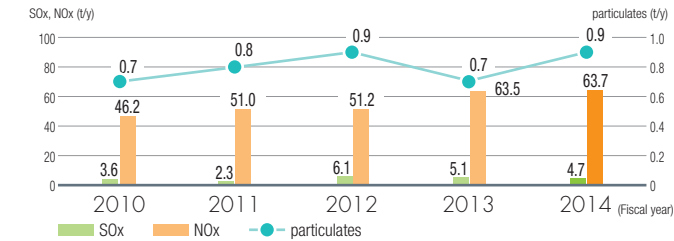


*Recycling rate is calculated as ratio of the total recycling amount to the total waste generated

Air pollution and noise control

We work on management of air pollution substances, PRTR-specified chemical substances and VOC substances as well as reduction of emissions. However, a change in our production plan due to fluctuations in market demand causes an increase or decrease in emissions. Meanwhile, we received one complaint in Japan about a noise attributable to manufacturing.

Trend of emission of SOx, NOx, and particulates



Trend of emission of PRTR substances

	2010	2011	2012	2013	2014
1,3-butadiene	9.0	4.7	1.6	0.3	0.4
1,2-dichloroethane	6.1	7.1	5.5	8.8	9.6
Trichloroethylene	5.4	4.3	5.3	5.7	3.8
Hexane	102.4	116.4	109.5	81.0	96.2
Dichloromethane	1.9	1.1	1.2	1.0	0.3
Others	10.9	10.5	9.5	7.8	9.2
Total	135.7	144.1	132.6	104.6	119.5

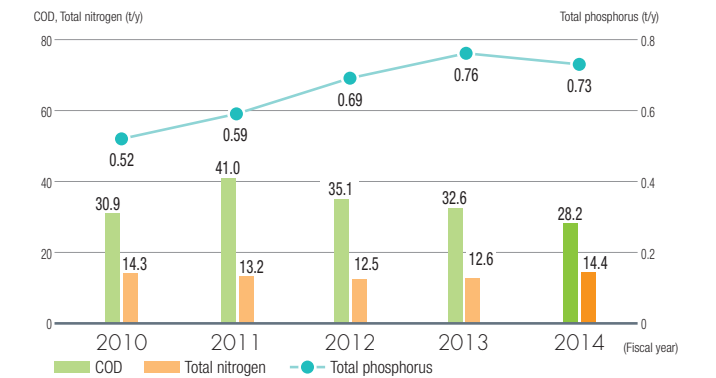
Trend of VOC substances emission

	2010	2011	2012	2013	2014
Heptane	634	582	486	481	559
Pentane	120	130	199	131	94
Methanol	25	10	20	22	33
MIBK	20	24	22	13	16
Others	139	148	136	110	123
Total	938	894	862	757	825

Water quality control

We continue our efforts to manage water pollution substances appropriately as well as to reduce emissions.

Trend of water contamination load



GENBA Interview



Yoshihiko Nakanishi
Fine Gases Section, Befu Works

At Befu Fine Gases Section, we have been engaging in a clean plant action as part of our RB activity (Befu version of C-TPM, Compact-Total Productive Maintenance). Here, I would like to introduce "My Machine, My Road Action" carried out at my workplace as part of our BR activity. "My Machine, My Road Action" is a 3S effort we have been taking since three years ago, which has made a significant change in terms of the cleanliness at my workplace. In this action, each person is assigned to clean and fix up one of the main machines or in-plant roads and to take care of the 3S of such machine or road. The positive outcome of this action is not limited to the cleanliness, but also seen in improved early detection of abnormality (vibration, current value), energy-saving (electricity), and prevention of wastewater contamination due to leakage, thereby making a large contribution to our effort to protect the environment. We will continue to implement this action to establish routinized 3S activities, and, while keeping our workplace clean, promote environmental protection.

Occupational safety and health, Security and disaster prevention

Placing "Safety Comes First" as a fundamental principle of our corporate management, we are committed to promoting our security programs to develop working environment where front-line employees can work in safety and security.

Our efforts for zero occupational accidents

No accidents involving lost workdays have been experienced in our Works and other sites in Japan since 2005 when one such accident occurred. However, we were not successful in achieving zero occupational accidents in our Group, and accidents with no lost workdays continue to occur at times every year.

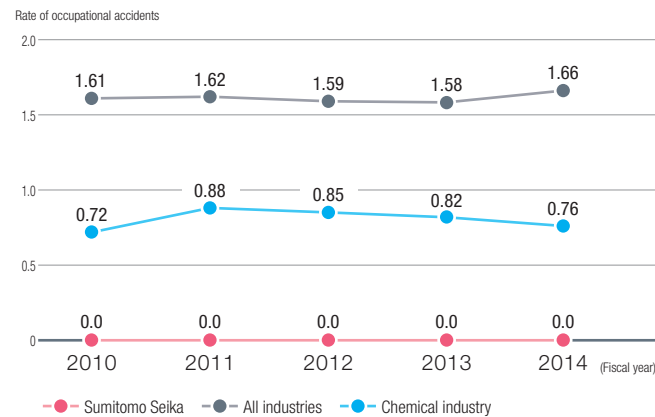
Aiming to achieve zero accidents, with or without lost workdays, Befu Works, Himeji Works and Chiba Works acquired OSHMS (Occupational Safety and Health Management System) certification respectively from the Japan Industrial Safety and Health Association (JISHA) in 2009. In FY2014, our status was reviewed and the certification was renewed for the third time.

We aim to achieve zero occupational accidents by sharing information on accidents or disasters in Japan and overseas.

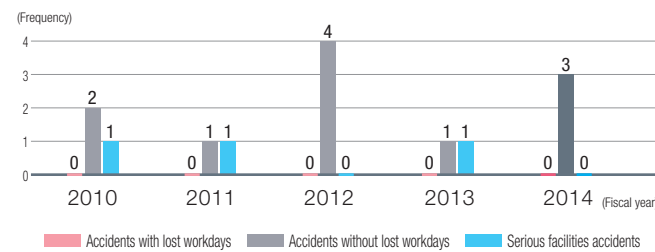


Certification

Rate of occupational accidents



The number of occupational accidents and serious facilities accidents



Emergency Drill

Disaster drill to prepare for emergencies

At each Works, we reviewed SOPs and manuals, carried out daily check and periodic inspections of facilities, conducted risk assessment and KY trainings, and improved or corrected unsafe spots and actions in our work place. We also conduct emergency drills regularly, cooperatively with neighboring companies and local fire department, to prepare for emergencies such as earthquake, fire and leakage

BCP (Business Continuity Plan)

In our effort to minimize adverse effect on our business operation and to ensure business continuity and speedy recovery in the event of a disaster or emergency, we have set a business continuity plan. In order to ensure the effectiveness of the plan, all of our employees need to realize the importance of business continuity and have the ability to make quick, appropriate, and flexible decision and response. To this end, in FY2014, we conducted a company-wide BCP training at Himeji Works to help improve employees' crisis awareness. In the training, we clarified roles and responsibilities of each section, discussed business recovery measures and contingency plans, and implemented a simulated press conference. We will continue to organize such practical trainings and acquire knowledge and skills necessary to improve our emergency response capabilities.

Preparedness for earthquake

Since the Great Hanshin Earthquake in 1995 and the Great East Japan Earthquake in 2011, we have enhanced our preparedness for disasters to minimize possible damage.

We implement in a planned way seismic strengthening of buildings which are constantly used but had insufficient earthquake resistance because they were built under a loose regulation before 1981. For example, we built a quake-resistant new office building in our Himeji Works.



Emergency first-aid training



Seismic strengthening

Quality assurance (QA)

We endeavor to supply our customers with products of reliable and satisfying quality by making concerted efforts to improve our company-wide total QA system.

Company-wide quality assurance system

Under our corporate policy on safety, environment and quality, we make all-out effort to maintain and improve our QA system to “supply quality products that are safe in use and meet customers’ needs”.

We are certified according to ISO 9001 standard, an international quality assurance scheme.

History of our ISO certifications

- December 1996 ISO 9002 certification for Befu, Himeji and Chiba Works
- June 1997 ISO 9001 certification for Engineering Dept. (PSA systems)
- December 2002 ISO 9001 certification for all of the company’s business locations including the head Offices, Laboratories and three Works

*We acquired ISO 9001 certification across the board on the ground of our basic thinking that all the company members should exert concerted efforts to assure customers of quality of our products from development to delivery.

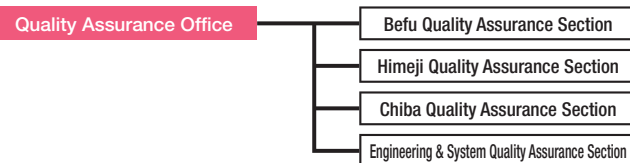
Our products vary greatly, including general industrial chemicals, raw materials for pharmaceuticals and cosmetics as well as raw materials for electronics and semiconductors. Different usage in customer always requires a different content even if the compound is same. Integrated efforts of Sales-Laboratory-Factory of the whole company under one management system ensure customer satisfaction through the best quality assurance activities.

We always enhance and improve the level of quality assurance as a corporate action to meet requirements from industries which are different industry by industry while referring to the strictest requirements.

Quality Assurance Office

The QA Office is a corporate organization of our company-wide QA system, and manages overall QA activities, working together with quality assurance sections of individual Works based on the basic policy of “QA from the customer’s viewpoint”.

Quality Assurance Office organization



Quality assurance activity

The QA Office (including Quality Assurance Section in each Works) holds a monthly QA Office Liaison Meeting, whereby approaches on QA matters are decided and systematic implementation of QA activities at the workplace level is discussed, coordinated and notified to other sites.

At Monthly Quality Review Meeting, quality complaints from customers are shared by all the participants and discussed.

The results are compiled in Monthly Quality Reports, and shared among middle and top managements and overseas subsidiaries to prevent reoccurrence of similar quality problems and to enhance our QA system.



Quality meeting

The QA Office also holds a monthly QA Meeting attended by the Work’s general manager and manufacturing section chiefs at each Works, in which details of complaints and responses are reported and discussed in an effort to share necessary information to prevent recurrence of similar quality problems. In FY2014, we did not have any major quality problems with our products or services. We will continue our efforts to prevent any occurrence of quality problems.

Audit / Inspection

Quality assurance office carries out “plant audit” and “QC patrol” in every plant in Japan to maintain and improve the quality assurance system.

As auditors, Quality assurance office members implement “plant audit” in accordance with monthly objectives for each manufacturing section and for each product. Manufacturing section and quality assurance work together to find out room for improvement by inspecting workplace, manufacturing management and quality management from the viewpoint of quality assurance, which leads to improvement of quality assurance system and customer satisfaction.

We also thoroughly enforce 5S, which is a fundamental action program for quality assurance, meaning being orderly, neat, tidy, clean and clear through implementation of “QC patrol” for inspection in workplace before or after a quality assurance meeting.



QC Patrol

Record of FY 2014 audits in our domestic offices and Works

Audit date	Audited section
2014.4.3	Befu Works Industrial Chemicals Manufacturing Section
2014.7.10	Chiba Works Fine Gases Section
2014.10	Company-wide Internal Quality Audit
2014.11.7	Chiba Quality Assurance Section, Quality Control Group
2014.12.22	Himeji Works Functional Polymers Section
2015.1.9	Chiba Works Fine Gases Section
2015.2.2	Himeji Quality Assurance Section, Quality Control Group
2015.2.9	Chiba Works Plastics Section
2015.2.24	Befu Works Fine Gases Section
2015.3.31	Befu Works Industrial Chemicals Manufacturing Section

Global quality assurance

In recent years, our overseas business expansion is gathering momentum increasingly; we have been actively increasing the import of raw materials, the production at our overseas manufacturing sites, as well as our overseas sales ratio.

In line with such change in our business structure, we have been improving our quality assurance system to ensure the supply of quality products

that satisfy the need of customers throughout the world. We actively audit the suppliers of raw materials and manufacturing subcontractors, strengthening the management of our overseas business partners.

We also reinforce the quality assurance system of our overseas group companies by reviewing their activities relating to quality or product safety and providing guidance through quality audits of their manufacturing sites.



Quality audit at overseas factories

Record of FY 2014 audits in our overseas offices and Works

Audit date	Audited section
2014.11.6	Sumitomo Seika Europe
2015.2.4	Sumisei Taiwan Technology
2015.2.25	Sumitomo Seika Singapore
2015.3.5	Sumisei Chemical Company (Korea)
2015.4.2	Sumisei Technology (Yangzhou)

Quality assurance education

We implement on a continuous basis “training on concept of quality assurance and quality management” led by quality assurance office based on understanding of the importance of improvement in quality assurance system in order to keep customers fully satisfied, which is the ultimate target of our company management.

- 1.Training for new employees
- 2.Training for new leaders
- 3.Training for new managers
- 4.Technical training at each level
5. Others



QC education at overseas factories

We also implement training activities in Japan and overseas as well as QC training to prevent recurrence of any quality problem using training materials based on actual complaints and quality trouble cases.

Logistics safety /Chemicals safety

We are positively engaged in various activities to ensure safety not only in manufacturing process but also in physical distribution. We also supply customers with safety data of our products in order to promote safe and proper handling of chemical products.

Logistics safety assurance

Our products and raw materials consist of many substances including high-pressure gases and hazardous or poisonous chemicals. Accidents during products transportation, such as explosions, fire, and leakage, may seriously affect the community safety and environment.

For us, logistics safety is as sensitive a matter as safety in production.

Product logistics is carried out by logistics contractors, whose cooperation is indispensable for safety in transportation.

Thus, we have organized the Logistics Safety and Environment Council jointly with our logistics contractors to ensure logistics safety and compliance with relevant laws and regulations, in our effort to prevent occurrences of adverse events such as accidents, disasters, environmental pollutions or health problems.

Drills and safety trainings to enhance our preparedness

Extensive drills are periodically conducted to respond speedily and adequately to different emergencies by ourselves, or jointly with logistics companies as the case may be, to tackle with dummy leaks and fire.

Safety trainings for supervisors and operators of logistics contractors are also conducted to provide knowledge on properties and for safe handling of hazardous materials, in an effort to prevent accidents.



Logistics Emergency Drill

Chemicals safety

In view of the increasingly wider use of chemicals in the world, the United Nations recommended adoption and putting-into-practice of GHS* as a way to accurately communicate the nature (including hazardous and toxic properties) of chemicals. Failure to properly control chemical substances or to provide information required by GHS may give serious adverse effects on human health and environment.

In Japan, the Industrial Health and Safety Law was revised in 2006, as to require information submission pursuant to GHS. Outside Japan, legislation has been or is being introduced that requires to submit MSDSs (Materials Safety Data Sheets) and Warning Labels in local languages. In EU countries, in particular, CLP Rules require each chemical producer to notify hazardous and toxic substances in addition to submission of the said MSDSs and Warning Labels. To have our products handled safely, we actively collect information on hazardous and toxic chemicals, and supply our customers with information required by the international classification and indication rules through our MSDSs and Warning Labels in local languages.

*GHS: Globally Harmonized System for Classification and Indication of Chemicals
MSDS: the term "SDS =Safety Data Sheet" is used depending on a destination country or region where "SDS" is their terminology.

CLP Rules: EU Classification, Labeling and Packaging of substances and mixtures

We also participate in JIPS*, a voluntary program to promote management of chemicals, and conduct risk assessment of our products in order of priority under the guidance issued by the Japan Chemical Industry Association. The results of the assessment are recorded in safety summary sheets and communicated to stakeholders through the website of ICCA (The International Council of Chemical Associations).

*JIPS (Japan Initiative Product Stewardship): A voluntary initiative of the Japanese chemical industry to promote voluntary risk assessment and management of chemicals as well as disclosure of risk management information, in an effort to minimize risks of chemicals. It applies to single chemical substances excluding polymers.

Growing together with customers and suppliers

With a view to establishing a long-term trust of our customers, we are committed to providing products and services that are safe in use and meet customers' needs.

Cooperation with suppliers

Demand for product safety is becoming increasingly high in recent years. Regulations on inclusion of hazardous chemical substances have been tightened in many parts of the world, making it necessary for chemical producers like us to step up efforts in ensuring green purchasing through analysis and warranty.

Suppliers' cooperation is indispensable for our performance of social responsibility in providing our customers with safe and trustable products. To respond to these challenges speedily and adequately, we are deepening the cooperation with our suppliers and promoting stable procurement, while maintaining our basic purchasing policy of due supplier evaluation and fair and transparent transactions.

Purchase Policy

Fair and equitable transaction

- Compliance with laws and regulations related to purchasing
- Implementation of transparent and fair trade on equal footing
- Quality, delivery period, service, and stable supply**
- Selection of materials and products of dependable quality
- Selection of suppliers based on supply stability

Partnership spirit

- Building-up of mutual trust with suppliers
- Contingency plans to avoid risk from interrupted supply

Exact access to environmental information and data, and evaluation

- To receive safety information and data on supplied materials / products to ensure our products meet customers' safety expectations; evaluate suppliers from this standpoint
- To contribute to conservation of global environment, seek suppliers' cooperation for our efforts in quantifying and reducing environmental load throughout the product life cycle from development, manufacture, distribution, use, to final consumption through disposal and recycle

Topic

Sumisei Taiwan Technology celebrates its 10th anniversary

Sumisei Taiwan Technology Co., Ltd. (STT), our base in Taiwan for the production and sales of gases established in November 2004, celebrated its 10th anniversary.

STT was established on the concept of manufacturing quality products near customers. The office is located in Hsinchu, which is home to many high tech companies, and the plant is located in Changhua Coastal Industrial Park in central Taiwan.

There are a large number of semiconductor device manufactures in Taiwan, and STT manufactures and sells electronic material gases to them.

In order to ensure a stable production and supply of quality products, STT established a reliable manufacturing system and plant maintenance system, and respects rules and SOPs. It also focuses on improving employees' capabilities through technical and safety training programs in its efforts to secure safe and stable plant operation.

STT has marked its 10th anniversary, backed up with the successful introduction of Sumitomo Seika's many years of expertise in gas purification and gas container treatment process and enhanced customer satisfaction.

STT will continue to supply quality products which are fully satisfactory to its customers, and ensure safe and stable plant operation.



Growing together with the community

We, at every operation site, are engaged in information disclosure to and communication with the respective local communities with the view to increasing their understanding of our business activities and forming and maintaining good relations.

Environmental education program for children

We hosted a “fun chemistry class” for local children in Harimacho Township (Himeji). In this class titled “Feel the magical power of chemistry by fabricating replica food!”, which is well-received every year among local residents, the children made plastic replica food from used plastic bottles to learn about recycling and take interest in chemistry. We encouraged them to think about environmental issues, such as reducing and separating waste.



Fun chemistry class

Support for environmental events of communities

We have been participating in the annual “Himeji Environmental Festival” organized by Himeji City. We hold events to help raise environmental awareness among participants, both kids and adults, in a fun way.



Himeji Environmental festival

Community beautification and cleanup

Our Works actively takes part in the local campaigns for community beautification through periodical cleanup of nearby roads and roadside ditches.

Community outreach

In line with the principles of information disclosure and communications with local communities, we invite our host residents to our fire and disaster prevention drills and organize plant tours for families of our employees. We use these opportunities to outline our safety and environment protection initiatives and to listen to their opinions and proposals. In FY2014, chemical companies located in the west region of Hyogo prefecture held a regional dialogue meeting, and gave an overview of plant operations and environmental efforts to community members as well as exchanging opinions.

Internship programs

We accept intern students from high schools, and also accept junior high students as part of Hyogo Prefecture’s educational program. In our internship programs, students have an opportunity to learn about their studies, think about their future career options while communicating with our employees.

Blood donation

Every year, we hold a blood drive at each of our offices and Works in cooperation with the Red Cross, which is attended by many employees.



Blood donation

Growing together with shareholders and investors

We disclose necessary company information accurately and in a timely manner to our stockholders, investors and other stakeholders.

IR Policy

To disclose investor relations (IR) information accurately and in a timely manner is of principal importance to Sumitomo Seika. In so doing, we comply with the pertinent laws and Stock Exchange regulations and make an effort to include information and presentations designed to help increase understanding about our company.

Information disclosure channels

Our basic approach is to make the disclosure in a just, timely and fair manner. It is made through the “TDnet” (Timely Disclosure network) provided by Tokyo Stock Exchange and through mass media (press clubs and others).

Investors

Information webpage

Financial results, financial forecasts, shareholders meeting information and other investors information are available on our official website. We will continue to work to improve the webpage disclosure.

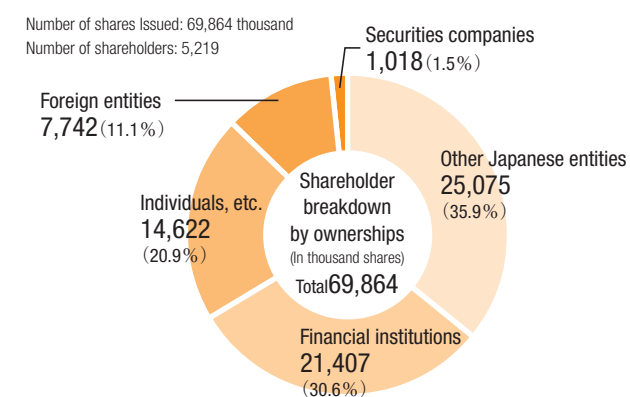


Communication with stockholders and investors

Stockholders Meeting

We regard stockholders meeting as a major opportunity to provide our stockholders with fair and accurate information and listen to their opinions. We strive to make our reports easier to understand. Sumitomo Seika stockholders can cast their vote through the Internet, if they so wish.

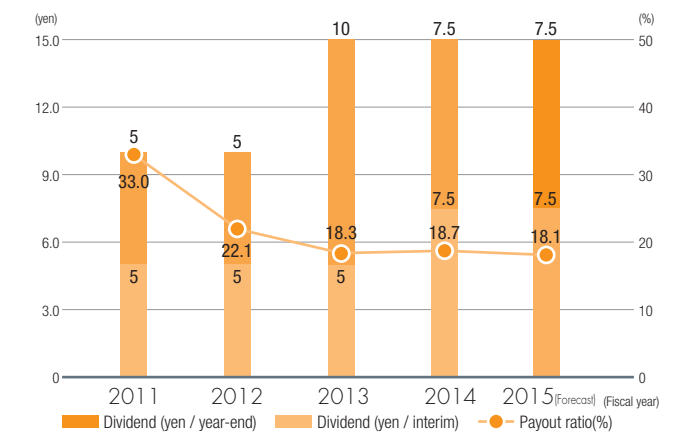
Share information (as of March 31, 2015)



Dividend policy

Sumitomo Seika believes that it is one of our major corporate responsibilities to distribute surplus to our shareholders and makes it a policy to pay stable dividends from earnings of each fiscal period to the shareholders while retaining a part of the earnings for the future expansion of our business to ensure sustainable growth of the company.

Past dividends



Investors' meeting

Investors' meeting with analysts, institutional investors and others are held on a periodical basis (twice a year). In addition to financial results, our management policy, progress of our business plan are reported and discussed to improve communication.



Investors' meeting

Measures to prevent insider trading

Sumitomo Seika Group is committed to preventing insider trading by all means to ensure healthy functioning of the stock market. Our internal rules require all employees to take prescribed steps in their trading of Sumitomo Seika shares in order to prevent suspicions of any unlawful acts.

Growing together with employees

In order for a company to attain a sustainable growth, upgrading of its employees is indispensable. Our company works on nurture of “human resources” while viewing “human” as “resource” and takes various actions to create labor environments where employees are able to work comfortably and peacefully.

Personnel system and human resource development

Ideal human resources

When unique individuals get together in a company, a vibrant corporate culture will be created, where several originalities come into being. In order for Sumitomo Seika, which places its future on “power” of chemistry”, to continue developing its originalities, its employees are required to have the following three capabilities:

Ideal human resources

- 1 Have objectives and targets**
They should have their own objectives and targets, and they should struggle to achieve them aggressively and constructively.
- 2 Comprehend trend of the times**
Employees are encouraged to comprehend trend of the times which show quick changes in society and economy.
- 3 Know the world**
Employees should be professionals who are well aware of the world.

An outline of the personnel system

The company has introduced a personnel system where employees are motivated to work for the company through achievement-oriented evaluations with their respective roles as the base of the system.

This merit system is designed to prompt employees to improve their abilities at their own initiatives with clear recognition of their functions and roles. Under this system, employees are induced to clearly understand their roles which they play in their organizations and motivated to attain their goals, which leads to better performance of their respective workplaces and in turn the company itself as well as to increased sense of satisfaction and progress for each individual employee.

Having finished Global Skill Development Course

In December 2013, nine members, including myself, started attending the Global Skill Development Course as the second group of trainees. During the first half of the training which was held in Japan, we were provided with opportunities to learn other cultures, enhanced logical thinking, and gained communication skills. At the same time, we also studied business administration at a business school and the basic MOT in in-house training. After an interim reporting meeting in August, the second half of the training in Japan focused on “output”, such as how to



Yasuyoshi Kakiuchi
Planning and Coordination Department, Super Absorbent Polymers Division

put into practice what we had learned so far in our job. Each of us contemplated our role in the company as our business expands more globally. In January this year, a briefing session was held, where every trainee reported what he or she had learned under the training program and what he or she would like to accomplish during the next stage of the Course to be held in our overseas group companies. The training so far has made me realize I need more knowledge, and it has been extremely fulfilling. It was tough, but all of us encouraged each other and were able to end the first half on a positive note. Now, it's time for us to start to receive the overseas training, the beginning of the Global Skill Development Course in the true sense. There may be a lot of difficulties for me, but I sure will not be defeated. I am determined to keep going forward.

Human resource development program

For the purpose of assisting ability development of employees, various programs are provided, which can be categorized mainly in the following five kinds:

Training classified by hierarchy

Training for officer candidates, Training for department managers, Training for new managers, Responsible Care training, Training for elders, Training for new employees, etc.

Knowledge/ Skill training

Basic knowledge education (legal work, accounting, intellectual property), MOT course, MBA course, etc.

Technology transfer/ skill transfer training

Training for manufacturing section chief, Technology education (application/ basics/ new employee), Training for production supervisors, etc.

Assistance for globalization

TOEIC test inside the company, English writing course, English conversation class, Orientation before moving overseas, Global skill development course, etc.

Self-development

Financial aid for participation in correspondence education, Financial aid for acquisition of public qualification, etc.



Technology education

The company appoints veteran employees who have rich knowledge and experience as instructors to transfer technology and skill to young employees and train them to become full-fledged members in a shortest possible time.

- Technology education for new employees
- Technology education; basic course
- Technology education; application course



Technology education

Foreign language education program

In order to achieve “SEIKA PLAN 2015”, not only globalization of the company but also globalization of employees is required. Efforts are exerted to provide employees with opportunities to learn various foreign languages so that they can develop abilities up to those of world-class professionals.

- TOEIC test inside the company
- Private lesson of English conversation
- Group lesson of English conversation (presentation, conference)
- Group lesson of Chinese language



Group lesson of English conversation

Global skill development course

In tune with globalization of operations of our Group's business, the need for globally capable human resources is ever growing. In 2012, we commenced a new training program, the Global Skill Development Course, with the objective of facilitating early competence development of younger employees in Japan. The program attendants will acquire skills and knowledge required for working globally through a training course in Japan, and also experience working at our overseas business base for a period of several months. There is also a follow-up course after returning to their usual workplaces in Japan to help develop their capabilities. Twelve trainees have been selected for the first term training program and nine trainees have been selected for the second term training program. The third term of the program began with six trainees in June 2015. Fostering of human resources with global skills is essential for our Group to achieve successful growth in the future, and we will continue to exert efforts in this area.

Pleasant working environment

Re-employment after age-limit retirees—utilization and promotion of the re-employment system

The company has a program to utilize knowledge and skill of those who retired due to age-limit for the purpose of ensuring job efficiency and nurturing their successors.

Trend of re-employees

Fiscal Year	2010	2011	2012	2013	2014
Number of retired employees	38	35	30	11	19
Number of re-employees	25	22	15	10	16
Ratio of re-employment	66%	63%	50%	91%	84%

Active employment of disability persons

Creating job opportunities for people with a disability is an important issue for us. We promote employment of disability persons in collaboration with public agencies.

Toward respect of human rights and prevention of sexual harassment

The company undertakes training in this respect for new employees and also for those employees who are promoted to management positions. In addition, responsible persons selected jointly by labor and management are deployed in respective business locations for the purpose of consultation and handling of this sort of matters.



Harassment seminar

Approach to mental health problems

The company introduced EAP* in 2010 in collaboration with external institutions to deal with mental health problems. Suggesting employee's self-care of mental health, the company conducts stress check on all employees and attempts to detect, prevent, and improve mental disease at an earlier stage. We have also introduced a support system for employees returning to work after a long leave due to mental illness.

EAP*...Employee Assistance Program



Mental healthcare training

Sound labor-management relations

Respecting each other's position, the company carries out, jointly with the labor union, various programs toward further growth of the company, development of employees, and creation of better working conditions.

Common understandings between management and labor are formed through discussions and consultations at various committees such as the central labor-management consultative committee, the central labor-management environment and safety committee, and local labor-management consultative committees of respective business locations, which are arenas where discussions are conducted to define measures to be taken for creation and maintenance of stable labor-management relations and its further development.

01

Befu Works

(Policy) At Befu Works, we are working to build a vibrant workplace where employees are able to work healthfully, actively and pleasantly, while placing priority on safety, environment and quality. Aiming to be a manufacturing site that is trusted by neighboring communities and customers, we continue to engage in safe and stable production activities and also seek to improve rationality and efficiency of our operations. We will continue our efforts to enhance our risk management level to reinforce our safety and security base, while keeping in mind the “Befu ten prohibited acts”.

- Location: 346-1 Miyanishi, Harima-cho, Kako-gun, Hyogo
- Number of employees: 306
- Production Items: Fine Chemicals, Gas Products etc.



Masato Yamamoto
General Manager, Befu Works

Results of activities in 2014

In FY 2014, we had two accidents without lost workdays and one minor accident, both of which occurred by a lack of safety awareness. Since we could have prevented these accidents by simply paying more attention, we realized afresh the importance of further raising employees' safety awareness.

Following these accidents, we carried out risk assessment (RA) focused mainly on our daily activities, routine operations, and caught-in or -between hazards, to weed out potential risks and decrease them. We also made sure that the information concerning such risks was shared within our workplace.

In other news, we were permitted to extend the validity of the overhaul inspection certificate of the boilers and class-1 pressure vessels for two years.

We will continue our efforts to boost up our safety awareness, focused on carrying out RA of non-routine operations (management level RA), and identifying potentially hazardous actions that are taken unconsciously and minimizing them (operator level RA).

Performance Data at Befu Works		
Energy (as crude oil)		13,100kl/y
Air	CO ₂	76,600t/y
	SO _x	4.7t/y
	NO _x	7.5t/y
Effluent	Volume of effluent	1,699×1,000m ³ /y
	COD	14.7/y
Waste material	Quantity	8,900t/y
	Recycle ratio	54%
	Landfill	117t/y
PRTR (Volume of exhaust to air)		2.8t/y

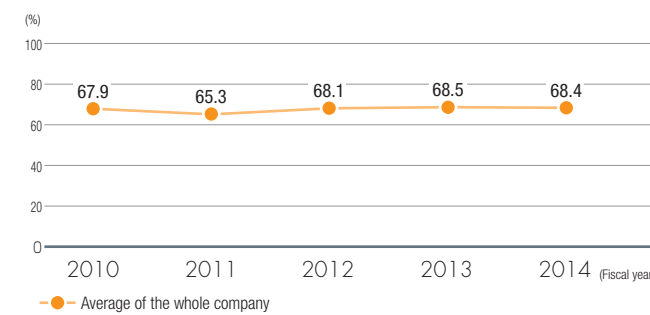
Improvement of welfare facilities

In order to improve employees' working conditions, we are enhancing our welfare facilities. In FY2014, we built a new company housing in Himeji area.



New company housing (Himeji)

Trend of utilization of paid holidays



Status of utilization of scheduled annual leave/ anniversary leave

	Utilization ratio		
	FY2012	FY2013	FY2014
Scheduled annual leave	64.1	66.5	72.4
Anniversary leave	76.7	82.2	97.8

Assistance for employees who need leaves to give nursing care / childcare

To assist employees who need to keep balance between home and workplace by unavoidable reasons, the company maintains several plans such as childcare leave plan and nursing care leave plan, which are related to childbirth, child rearing and nursing care.

Actual results for 2014: 6 employees for childcare leave plan, 3 employees for short-time service for child rearing, 0 employee for nursing care leave plan, 1 employee for short-time service for nursing care

A list of childcare / nursing care benefit plans

Type of plan	Outline
Childcare leave	Approval is obtainable for an employee to rear his or her child after delivery (in principle until the child becomes one year old).
Nursing care leave	Approval is obtainable for an employee to nurse his or her family (1 year).
Childbirth leave	Approval is obtainable for an employee whose wife delivers a baby (Two days)
Nursing care leave for children	Approval is obtainable for an employee to use the plan to take care of injury or disease of his or her child (5 days / one child / year).
Care leave	Approval is obtainable for an employee to use the plan to give care to his or her family member who is in need of nursing care (5 days / each member of the family / year).
Exemption of non-scheduled work	Submission of request is allowable for an employee to apply for an approval to use the plan to nurse his or her child younger than three years.
Short-time service for child rearing	Condition for the request is the same as above (max. 2 hours a day; shortening of time acceptable with 30 minutes as unit of calculation).
Short-time service for nursing care	Submission of request is allowable for an employee to apply for an approval to use the plan to give care to his or her family member in need of nursing care (the maximum length of time is the same as above).

Promotion of work-life balance

We are exerting continued efforts to improve employees' work-life balance by introducing various programs to reduce working hours and to enhance leave systems.

Plans for reduction of actual working hours

In 2010 the company introduced a scheduled annual leave plan (3 days a year) and an anniversary leave plan (1 day a year) oriented to reduction of actual working hours of employees, while encouraging employees to take as many paid holidays as practically possible and setting up “day of no overtime work” at respective business locations. Thanks to these measures, employees are now taking more paid holidays (Paid holiday utilization rate in FY2009: 55.1%), but the rate has been flat for the past several years. We will continue our efforts to further reduce actual working hours.

02

Himeji Works

(Policy) All employees at Himeji works including members of affiliated companies and subcontractors will work together, while respecting basic rules and discipline, to achieve a level one-step higher in our activities to improve industrial health and safety, environment protection, and quality assurance, determined to ensure a “safe and trusted manufacturing site” and “safe and secure site which is trusted by communities and customers”.

- Location: 1 Irifune-cho, Shikama-ku, Himeji City, Hyogo
- Number of employees: 360
- Production Items: Super Absorbent Polymers, Water-soluble Polymers, Fine Particulate Polymers



Kazuhisa Uemura
General Manager, Himeji Works

Results of activities in 2014

Based on the basic policy of “Safety comes first” manufacturing activities, we operated our plant with a focus on safe and stable plant operations, cost reduction, development of new products, and TPM activity (Himeji version). As a result, we were able to achieve a satisfactory level of result in each of our activities. We also enhanced our disaster preparedness by conducting emergency drills, in cooperation with the local fire department, as well as a BCP training. We will continue our effort to maintain Himeji Works in safe and good conditions where all employees can work vibrantly.

Performance Data at Himeji Works		
Energy (as crude oil)		66,10kl/y
Air	CO ₂	128,000t/y
	SO _x	- t/y
	NO _x	55.8t/y
Effluent	Volume of effluent	1,920m ³ /y
	COD	12.9/y
Waste material	Quantity	2,540t/y
	Recycle ratio	93%
	Landfill	1.3t/y
PRTR (Volume of exhaust to air)		114t/y

03 Chiba Works

(Policy) Based on the basic policy of "Safety comes first", we intend to ensure Chiba Works is a manufacturing site in line with CS (clean & safety, communication & speed) where employees are able to work in a safe and good environment, while aiming to 1. Continue zero accident and zero-injury operation, 2. Improve industrial health and safety, environment protection, quality and profitability, and 3. Create a workplace where employees are able to work healthfully, and pleasantly.

- Location: 1384-1 Kamikoya, Yachiyo City, Chiba ● Number of employees: 70
- Production Items: Gas Products, Fine Powder Plastics etc.



Shakuto Keiji
General Manager, Chiba Works

Results of activities in 2014

In FY 2014, we were able to continue zero- accident and zero-injury operation, thanks to the safety activity taken by each employee, in cooperation with our subcontractors. We are aiming to achieve the next target of 10,000 consecutive days without accident by continuing our safety activity such as promoting near-miss incident reports, and encouraging employees to share their ideas on safety improvement through VPM technique.

In our effort to protect the environment, we significantly improved the recycling rate of our waste by re-examining the method of waste treatment. We also strengthened the management of facilities to increase our energy efficiency, aiming to become an environment-friendly manufacturing site.

We will continue our effort to build a comfortable working place and create a manufacturing site contributing to neighboring communities while placing emphasis on communication and sharing of knowledge in order to attain higher levels of targets.

Performance Data at Chiba Works		
Energy (as crude oil)		1,910kl/y
Air	CO ₂	5,010t/y
	SO _x	- t/y
	NO _x	0.5t/y
Effluent	Volume of effluent	397×1,000m ³ /y
	COD	0.6/y
Waste material	Quantity	262t/y
	Recycle ratio	89%
	Landfill	0.7t/y
PRTR (Volume of exhaust to air)		5.4t/y

04 Sumitomo Seika Singapore Pte. Ltd

(Policy) • We will achieve zero-accident, zero-injury plant operation.

- We will ensure safe and secure plant operation.
- We will supply quality products and services which are fully satisfactory to our customers.
- We will strive to protect environment.
- We will comply with laws, regulations, covenants, and all the other similar rules.

- Location: 17 Sakra Road, Singapore ● Number of employees: 43
- Production Items: Super Absorbent Polymers



Wong Chee Seng
General Manager, Sumitomo Seika Singapore Works

Results of activities in 2014

We were able to continue our plant operation without any accidents with lost workdays or serious facilities accidents for the past 15 years since our establishment. This was made possible through our continued efforts to enhance health of each employee and security management, as well as various training programs we provided to our employees and subcontractors in order to raise the level of their safety awareness.

We will continue our efforts to ensure safe and healthful workplace for our employees, conservation of environment, high product quality, and customer satisfaction.

Performance Data at Sumitomo Seika Singapore Works		
Energy (as crude oil)		32,800kl/y
Air	CO ₂	43,000t/y
	SO _x	- t/y
	NO _x	- t/y
Effluent	Volume of effluent	141×1,000m ³ /y
	COD	112/y
Waste material	Quantity	1,058t/y
	Recycle ratio	- %
	Landfill	1,021t/y
PRTR (Volume of exhaust to air)		- t/y

05 Sumisei Taiwan Technology Co., Ltd.

(Policy) Based on the management policy for safety, environment, and quality, we will improve our competitiveness, earn trust from our customers, and fulfill social responsibilities by ensuring 1. stable operation with zero accident, 2. environmental protection, 3. safe management of chemicals, 4. quality assurance and customer satisfaction, and 5. communication with society.

- Location: No.2 ChangPing West 4th road, Chang Ping Industrial Park, Siansi Township, Chang Hua County, Taiwan R.O.C.
- Number of employees: 29 ● Production Items: High-Purity Ammonia



Shen Ching Te
General Manager, Sumisei Taiwan Technology Works

Results of activities in 2014

In FY2014, we reviewed our basic principles and SOP, and implemented various training programs and risk assessment, in our effort to raise employees' safety awareness in their routine operation as well as in emergency situations. We also maintained our workplace in order, clean, neat and tidy through TPM activities and 5S initiatives. We will continue to improve the level of employee performance in our effort to ensure safe and stable plant operation.



Safety training

06 Sumisei Chemical Co., Ltd.

(Policy) We conduct our production activities based on our basic principles of "securing safety of our employees and the community through achieving zero-accident and zero-injury operation" and "ensuring a stable supply of quality products and services that are safe in use and meet customer's needs".

- Location: Paju / Jangan, Gyeonggi-do, Korea ● Number of employees: 28
- Production Items: High-Purity Ammonia, etc.



Ilsung Cheong
General Manager, Sumisei Chemical Works

Results of activities in 2014

FY 2014 was a year to work from the ground up to build a safe and secured manufacturing site.

In addition to steadily implementing preventive measures following the accident which occurred in Jangan / Paju plant in January 2014, we reassessed our safety management system, and carried out safety activities focused on raising employees' safety awareness. We also promoted KY and pointing & calling campaign to foster safety culture and encouraged active communication between managers and operators, as well as among operators, to ensure a smooth process of reporting, contacting and consultation in non-routine operations.

Additionally, we have taken appropriate response to ensure compliance with the Korean laws and regulations relating to environment and safety, as exemplified by the measures taken at Jangan plant to comply with PSM by KOSHA. We have also actively taken corrective measures against matters relating to environment and safety even if they are not legally required.

As a result, safety is now given top priority in our Works, and employees' awareness of safety and compliance issues has improved without doubt. We will continue our efforts to ensure safe and stable operation in FY 2015.



Emergency drill

07 Sumisei Technology (Yangzhou) Co.,Ltd.

(Policy) Under a basic policy of “Safety comes first”, we will operate with basic principles of “zero-accident and zero-injury”, “customer-focused services” and “prosperity with society” and contribute to progress of society and formation of sustainable society.

- Location: No.9 Venture Road, Qingshan Town, Yizheng City, Jiangsu Province, China
- Number of employees: 30
- Production Items: High-Purity Ammonia



Yan Bao Ping
Manager, Manufacturing Dept., Sumisei Technology (Yangzhou)

Results of activities in 2014

In FY 2014, we promoted the establishment of a solid foundation for ensuring safe and stable plant operation through improving employees' operating skills, ability for early detection of abnormalities, and facilities management capabilities. As a result, we were able to achieve zero-accident, zero-injury operation. In our efforts to raise employees' safety awareness and enhance our emergency preparedness, we carried out OJT, KY campaign, and various training programs, as well as fire drills and disaster drills. In addition, we identified potential hazards at team leader meetings to further improve workplace security, and hosted a safety convention for our subcontractors to help raise their safety awareness.



Firefighting training

In terms of quality management, we aim for ISO 9001, which we acquired last year, to take root in our plant, and intend to enhance our quality management system using ISO9001. To this end, we had two employees become certified as ISO internal auditors and encouraged them to share their knowledge to help raise quality awareness of employees as they engage in their job.

We will continue to implement employee education and training programs in our effort to ensure safe and stable plant operation, and to enhance employees' skills as well as customer satisfaction, while aiming to increase our production capacity to 4,100 tons per year,

Our CSR Report web page

CSR Report 2015 and back numbers are also available on our website.

Page of CSR Report



Sumitomo Seika website front page

Click here !



<http://www.sumitomoseika.co.jp/csr/responsiblecare/index.html>

Independent verification report



Corporate Social Responsibility Report 2015 Independent Verification Report

July 27, 2015

To: Mr. Yusuke Ueda
President
Sumitomo Seika Chemicals Company, Limited

Junji Takase
Chief Director, Responsible Care Verification Center
Japan Chemical Industry Association

■ Purpose of verification

This verification aims to express opinions as an expert in the chemical industry, on the following items presented on the “Corporate Social Responsibility Report 2015” (hereinafter “the Report”) that was prepared by Sumitomo Seika Chemicals Company, Limited (the Company):

- 1) The rationality of collection, compilation and calculation methods of performance indices (numerical values) and accuracy of the values
- 2) The accuracy of information other than numerical values presented in the Report
- 3) The details of the Company's Responsible Care activities
- 4) The characteristics of the Report

* We audited the matters relating to environment, safety, and health only.

■ Verification procedure

- For the corporate head office, we audited the rationality of the calculation methods of numerical values reported from each site (office and works), as well as the accuracy of information other than numerical values presented in the Report. This was done by interviewing personnel responsible for relevant business operations and those in charge of preparing the Report, asking them about information given in the Report and hearing their explanations of supporting documents.
- For the Himeji Works, we audited the rationality of the calculation methods of numerical values reported to the corporate head office and the accuracy of those values, as well as the accuracy of information other than numerical values presented in the Report. We conducted an audit of the Himeji Works by questioning personnel responsible for relevant business operations or report writing, hearing their explanations of supporting documents, and cross-checking the data and information with evidential matter.
- We applied a sampling technique to the audit of numerical values and other information presented in the Report.

■ Opinions

- 1) The rationality of collection, compilation and calculation methods of performance indices (numerical values) and accuracy of the values
 - Rational methods were employed at the corporate head office and Himeji Works to collect, compile and calculate numerical values.
 - As far as we audited, the performance numerical values were accurately collected, compiled and calculated.
- 2) The accuracy of information other than numerical values presented in the Report
 - We confirmed that the information presented in the Report was accurate. Although we made a few comments about the appropriateness of some expressions and the readability of some sentences at the draft stage, reasonable corrections have been incorporated in the final Report.
- 3) The details of the Company's Responsible Care activities
 - We value the fact that Zero accidents with lost workdays have been continued since 2006.
 - We recognize the fact that a wide range of disaster-preparedness training has been performed, from disaster-preparedness training at each Works performed in cooperation with the local fire department to company-wide BCP (business continuity plan) training.
 - We value that fact that an English version of the accident report has been created and distributed to overseas subsidiaries and that the sharing of information is being promoted.
 - At the Himeji Works, good displays and labels have been established, including a wastewater treatment flow diagram and placement of a panel showing a diagram of the boiler inspection items. Also, we recognize the fact that a risk assessment method for simultaneously evaluating environmental, safety and quality risk has been developed and operated on a continuous basis.
- 4) The characteristics of the Report
 - The reporting items have been included without omission and organized in a compact format. Going forward, it is recommended to consider increasing the appeal of the report to readers, such as by including special features.
 - From the contents of the Report, it is easy to infer that the Company is putting effort into quality assurance, aiming for the globalization of the business and focused on training human resources and supporting the overseas subsidiaries.