

Environmental Preservation & Safety

In addition to supplying its customers with useful products, the Toagosei Group also regards it as a matter of high management priority to conduct corporate activities that contribute to the realization of a more pleasant environment, on both a local and global scale.

The Toagosei Group operates a system that, insofar as is possible, ensures the minimization of load on the environment and guarantees the safety of its employees and customers throughout the entire lifecycle of its products, from the development of chemical substances through the manufacture, transport and distribution, use, and final disposal of finished products as waste. The entire management and staff of the Toagosei Group are working together to ensure that

top priority is placed on respect for the environment during all the Group's business operations.

Responsible Care – the Fundamental Stance of the Toagosei Group

To maintain our reputation for trustworthiness, the Toagosei Group is committed to working to ensure the safety of its products, as well as workforce safety and hygiene, and to reducing the impact on the environment of these products and their manufacturing processes, at all stages from development through use to final disposal.

Environmentally Friendly Technology

The development of an electrolysis method using gas diffusion electrodes

Caustic soda production being a classic example of an energy-intensive industry, Toagosei is taking part in a joint project with other manufacturers who employ electrolysis to develop an electrolytic method using gas diffusion electrodes that could result in as much as a 40% saving in power consumed. When this technology is realized for practical use, it will play a valuable role in helping retard the global warming process.

Technological development work on a commercially feasible large-scale gas diffusion electrolysis system is currently proceeding at our Tokushima Plant.

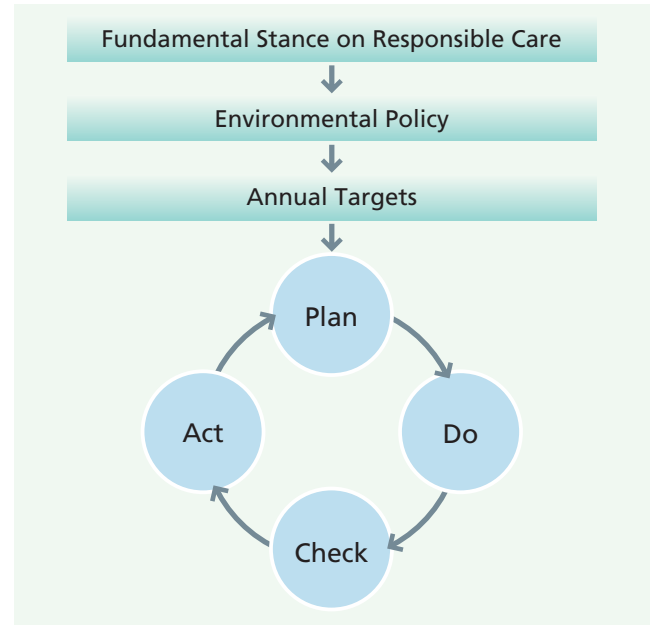
Environmental Preservation Activities

The priority goals of the Toagosei Group’s environmental preservation activities are: 1) to help prevent global warming; 2) to reduce the volume of industrial waste generated by the Group’s business operations and promote the reuse of resources; and 3) to reduce emissions of substances that cause environmental load. The Group sets specific numerical targets for these activities each business year, and all management and employees work to achieve those targets.

Thanks to the activities of the Group’s environmental preservation system, the parent company and its subsidiaries have acquired the ISO14001 certification of conformity with international standards for environmental management systems. The system is being employed to realize even more efficient environmental preservation activities.

In 2000 Toagosei introduced the Environmental Accounting system. Since then other group companies have been successively adopting the system, which enables the quantitative measurement of the cost-effectiveness of environmental activities beginning with the reporting period. Analysis of these environmental accounting results enables us to redesign our system for greater efficiency. We make our environmental accounting data available to our shareholders, customers, and local residents as well as other stakeholders, thus promoting greater understanding and appreciation of the Group’s environmental preservation efforts among society as a whole.

Other environment-related activities by the Group include the provision of education on environmental issues, the development of technologies for preserving environmental integrity, afforestation projects, and conducting cleanup campaigns as well as other contributions to the local communities in which we operate. The Toagosei Group is actively tackling environmental issues from a wide variety of angles.



State of Progress toward Three Priority Goals

<p>1 Helping Prevent Global Warming</p>	<p>To help curtail carbon dioxide emissions, we aim to reduce energy intensity (the amount of energy used in the manufacture of one product unit) by 1% every year.</p>
<p>2 Reducing Industrial Waste</p>	<p>We are working to reduce the volume of industrial waste generated by our plants and increase the percentage of waste materials processed for reuse, thereby eventually reducing the amount of waste materials buried in landfill sites to as close to zero as possible.</p>
<p>3 Emissions of Environmental Load Substances</p>	<p>We are renovating our facilities to reduce emissions of substances that cause environmental load, and are simultaneously tightening our management of chemical substances so as to steadily reduce emissions of such substances each year.</p>