

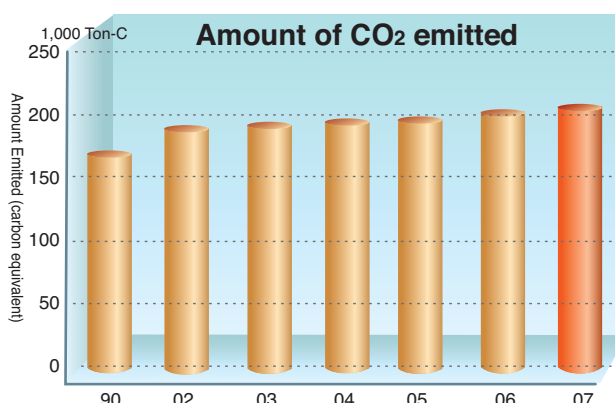
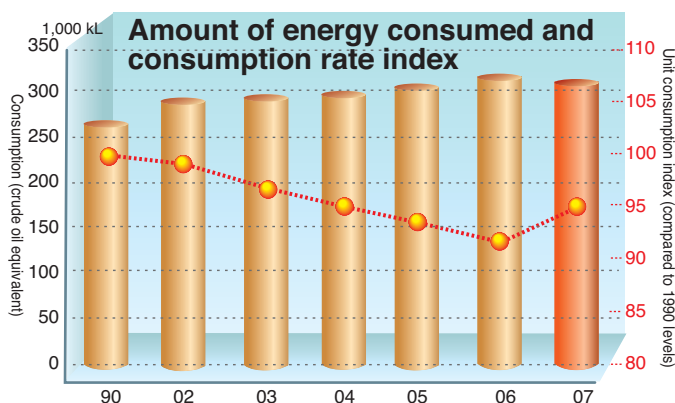
Resource and Energy Saving

In order to achieve the goal of "reducing the average energy consumption rate for the 2008 to 2012 period to 87% of the 1990 level" set by the Japan Chemical Industry Association, we have held energy conservation promotion meetings throughout the company and have actions in progress.

Although 2007 energy use measured in terms of equivalent consumption of crude oil reduced slightly to 98.8% of the previous year's level, the overall level of production was down to 95.9% of the previous year and therefore the unit consumption index (compared to 1990 levels) went from 92.1% in 2006 to 94.9% in 2007.

Although energy saving measures such as high-rate

operation have been adopted, circumstances such as the low utilization caused by halting PVC production at the Takaoka Plant and shorter operating times due to a long shutdown for periodic inspections at the Mizushima Plant and problems with the monomer recovery equipment have meant that these have not been reflected in improvements in the unit consumption index.



Energy Consumption Associated with Transportation

Under amendments to the Energy Conservation Law, responsibility for development and implementation of energy-saving strategies rests with the party responsible for requesting transportation of the goods (the consignor or owner of the goods).

A company with an annual freight volume of 30 million ton-kilometers or more is defined as a designated major consignor under the amended law

and is subject to additional requirements.

On the basis of its total freight shipping volumes (including the four production plants and the R&D Center), ZEON is a designated major consignor and the company submitted its regular declaration to the Ministry of Economy, Trade and Industry on June 30, 2008.

We will continue in the future to do our very best to conserve energy in distribution as well as in production processes.

Energy conservation topics Energy conservation plan for the Mizushima industrial complex

At the Mizushima industrial complex precinct, Asahi Kasei Chemicals, ZEON and Nippon Petroleum Refining (the refining arm of ENEOS) have started work on a joint program to save energy by recycling petroleum residue.

The project has been adopted to as part of the NEDO Energy Conservation Project Support Scheme. Nippon Petroleum Refining will build a new solvent de-asphalting line at the Mizushima Refinery for extracting kerosene and light oil from asphalt and other heavy oil distillates. The petroleum residue (or pitch) generated by the

extraction process will be used as fuel for new boilers to be built by Asahi Kasei Chemicals and ZEON. This will save energy by reducing use of the light oil and other fuels used in the past.

It is estimated that this will deliver significant energy savings across the entire industrial complex (equivalent to approximately 98,000 kl of crude oil) and commercial operation is due to commence in July 2009.



Energy conservation plan for the Mizushima industrial complex