

March 29, 2013

Regaining Public Trust as a Chemical Company

On September 29, 2012, an explosion and fire occurred at the acrylic acid production facilities in the Himeji Plant of Nippon Shokubai, which led to the tragic loss of life. We wish to offer our deepest condolences to his family, and hope for the rapid recovery to others who were injured by this accident. At the same time, we sincerely apologize to the enormous problems this incident caused for the neighborhood of the plant and to other people associated with this incident.

I received the appended investigation report on March 27, 2013 from the Accident Investigation Committee that was formed after the accident with members of the academia and external specialists. The report determines the causes of the accident and develops countermeasures to prevent recurrence of the accident. I will wholeheartedly accept these recommendations, and under my leadership and initiative, work in unison with every employee to restore the company to ensure that similar accidents do not occur again. Accordingly, the entire company will push forward with implementing the countermeasures outlined below, based on the recommendations I received.

Since 1973, Nippon Shokubai has adopted corporate commitment of “Safety takes priority over production” and has pursued safety initiatives on a company-wide basis. In addition, we have advanced our business as a chemical manufacturing company that build on a platform of proprietary technologies. We deeply regret that our pride in technologies may have made us overconfident and thus caused us to falter in addressing immediate safety concerns.

I do not view it as an isolated incident with the acrylic acid manufacturing facilities of the Himeji Plant, and commit myself to inspect potential risks in all facilities and to take all measures to prevent recurrences. Every employee including myself will elucidate and communicate any latent issues to make improvements with person concerned awareness, as we make a fresh start in our efforts for “Regaining Public Trust as a Chemical Company”.

Masanori Ikeda, President
Nippon Shokubai Co., Ltd.

Investigation Report

Nippon Shokubai Co., Ltd. Himeji Plant

Explosion and Fire at the Acrylic Acid Production Facility Investigation Report

March 2013

Accident Investigation Committee, Nippon Shokubai Co., Ltd.

(Attachment)

Countermeasures to Prevent Recurrence of the Accident

1. Lateral deployment of recurrence prevention countermeasures
 - (1) Ensure risk assessment implementation
 - ◆ Re-evaluate the monitoring conditions of acrylic acid and other reactive substances (control conditions, inspection, and monitoring methods)
 - ◆ Review and apply Management of Change for non-routine works, process changes, etc.
 - ◆ Foresee abnormal situations (start of polymerization, etc.) and clarify its response methods
 - (2) Collect, share and effectively use the safety technology information
 - ◆ Rebuild the framework for collecting and using information related to internal and external accidents.
 - ◆ Rebuild the framework for collecting and using technical information related to safety such as substance hazards, etc.
 - (3) Enhance education and training programs
 - ◆ Review the education contents and methods
 - ◆ Enhance the completeness of manuals and thoroughly disseminate
2. Strengthen the culture of safety prioritization
 - ◆ Create an organization and environment which abide safety rules
 - ◆ Create a culture which comply safety rules thoroughly
3. Verify the implementation of safety countermeasures
 - ◆ Implement third parties inspection
 - ◆ Review the framework of routine inspection