



# Providing Safe Products and Information

Kaneka promotes product safety and quality assurance activities to ensure the safety and quality of products and services, while keeping in mind the aim to secure the satisfaction and trust of consumers and clients.

## Efforts for Product Safety

Kaneka conducts risk assessments for products and their raw materials, by-products and wastes at every stage from development to manufacturing to ensure the safety of our products.

In fiscal 2008, we revised our Product Safety Management Rules and sought to further assure the safety of our products by augmenting our abilities to comply with laws and regulations and clarifying the roles of the staff divisions that handle product safety and our Product Safety Committee. In addition, expanding the application of these rules to the entire Kaneka Group, we enhanced our systems for undertaking product safety efforts.

### ● Product Safety Committee

At Kaneka, members of our staff who have various specialized areas of expertise conduct multifaceted inspections to determine whether there are any points of concern related to product safety for new products as well as for existing products that have, for example, had changes in their applications. Then, as necessary, we hold meetings of the Product Safety Committee, gather the opinions of outside experts, and conduct other high-level inspections to ensure safety. We primarily conduct inspections for new products in the fields of medical equipment and functional food products, but we are currently expanding our inspection coverage to include products that we make in every field. Moreover, we regularly confirm that the decisions made in examinations previously conducted are being implemented thoroughly by regular interviews, inspections and other checks.



Meeting of the Product Safety Committee

### ● Chemical Substance Management

In order to ensure that our customers appropriately handle our products, we provide information about them, including Material Safety Data Sheets (MSDS), technical documents and catalogs.

Based on the revised Industrial Safety and Health Law in Japan that went into effect on December 1, 2006, we have completed all corresponding legal compliance related to the expansion of substances that are subject to labeling, MSDS provision and other measures for all the products that the Kaneka Group handles. We are also advancing our transition to formats that comply with GHS.<sup>1</sup>

In response to the European REACH regulations,<sup>2</sup> we have

completed preliminary registration for products that are exported to Europe and products that are produced by Kaneka Belgium, and we are continuing preparations for registration. Moreover, for substances registered by raw material supply makers, we are beginning to exchange the information necessary for registration.

We are sharing information throughout the Kaneka Group about revisions to the Chemical Substance Control Law and to the PRTR Law in Japan as well as about trends in legal amendment related to chemical substance management in other Asian countries and undertaking appropriate responses to them.

1: GHS (Globally Harmonized System of Classification and Labeling of Chemicals): In this system adapted by the United Nations in July 2003, the hazards of chemical products are classified according to fixed standards, and are indicated using pictograms to make them easy to understand. These results are reflected in labeling and MSDS to help serve to prevent accidents and secure human health and the environment.

2: REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulations: In this new system of chemical substance regulations for Europe, which came into effect on June 1, 2007, chemical substances that are manufactured in or imported into the European Union in quantities of one ton or more annually, regardless of whether they are new or not, must be registered and sharing safety information about them throughout the supply chain is required.

## Quality Assurance Activities and Quality Risk Management

### ● Quality Assurance

In order to provide a stable supply of products that appropriately meet customer quality demands, we have established a Quality Assurance Committee in our business divisions, chaired by the head of the division, and a Quality Control Committee at each plant, chaired by the head of the plant. The Quality Assurance Committee decides policies related to quality assurance, such as customer satisfaction, while the Quality Control Committees convene to promote systematic quality control activities specific to each plant and their thorough implementation. Furthermore, a Quality Assurance Promoters Conference for the entire company is held regularly to promote information sharing among business divisions and plants.

For our main products, we have acquired either ISO 9001, the international standard for quality management systems, or ISO 13485 certification, the international standard that includes additional requirements for medical equipment.

Besides, for medical equipment and other products related to medical treatment, we have established a system to respond with certainty to the legal regulations and legal revisions of each country.



Shiga Prefecture autonomous sanitation management certification system (S-HACCP) certificate

## ● Audits and Inspections

For food related products, in addition to complying with the Japan's Food Sanitation Law and other relevant laws and regulations, we receive regular audits from several external organizations based on ISO 9001, AIB food safety guidance and auditing system<sup>3</sup>, HACCP<sup>4</sup>, and other standards. Also, in order to implement thorough measures to prevent the occurrence of product accidents, internal audits by business divisions and Comprehensive Inspections for the entire Kaneka Group chaired by the Central Committee on Environment, Safety & Human Health chairperson are conducted. In particular, we focused our special inspections for foodstuffs plants on the management of expiration dates for raw materials taking into consideration the features and risks of these products. Moreover, if a new quality incident or compliance violation occurs at another company, we check our workplaces to determine the status of the Kaneka Group and undertake other preventative measures to avoid the occurrence of similar incidents or violations.



Comprehensive Inspection

- 3: AIB food safety guidance and auditing system: This educational guidance and auditing system is based on the International Integrated Quality System of the American Institute of Baking (AIB). This standard is applied to food product safety and hygiene management in plants. The purpose of their application is to analyze and completely eliminate sources of danger that exist in the environments of every workplace, including the property around plants, and in every step in the manufacturing process from receiving raw materials to the shipping of products.
- 4: HACCP: Hazard Analysis and Critical Control Points is a technological management method for analyzing microbiological, chemical and physical hazards in food product manufacturing processes. This method also focuses on critical control points in the manufacturing process and adopts necessary preventative measures to prevent dangers in food products.

## ● Management of Change

As one effort to reduce quality risks, we began enhancing our management of change<sup>5</sup> based on a validation approach<sup>6</sup> and created systems and began their application in some plants in fiscal 2007. Based on the results of the application of these systems, we summarized their essence in guidelines for management of change and have been able to create a structure to expand their application to the entire Kaneka Group. We plan to conduct meetings to explain these guidelines at individual group companies separately and to spread their application throughout the group, which will contribute to strengthening our management of change.

- 5: Management of change: efforts to predict risks related to change and prepare suitable countermeasures to prevent risks from developing into trouble
- 6: Validation: verification and documentation of whether a manufacturing site is realizing the results expected from its structural facilities, procedures, manufacturing processes and other methods for managing manufacturing and quality control

## ISO 9001 Certified Division/Group Company

| Division/Company  | Major Product  | Registry Org./ Registry No.                |
|---|--|--|
| High Performance Polymers Division  | Modifier (Kane Ace)<br>Acrylic film (Sunduren)<br>MS Polymer, Silyl  | LRQA/927477<br>LRQA/4004220<br>LRQA/927505 |
| Electrical & Electronic Materials Division  | Apical, Elmec  | LRQA/935762                                |
| Expandable Plastic Products Division<br>Hokkaido Kaneka Co., Ltd.<br>Kyushu Kanelite Co., Ltd.        | Eperan, Eperan PP<br>Kaneppearl<br>Kanelite Super E  | JCQA/1292<br>JCQA/1407<br>JCQA/0673*       |
| PVC & Chemicals Division  | Caustic soda, hydrochloric acid, sodium hypochlorite, chlorine<br>Vinyl chloride monomers<br>Vinyl chloride plastics<br>Heat-resistant vinyl chloride plastics | JCQA/1263                                  |
| Foods Division<br>Kaneka Food Co., Ltd.<br>Tokyo Kaneka Food Co., Ltd.<br>Nagashimashokuhin Co., Ltd. | Margarine, Yeast   | JQA/QMA10274                               |
| New Business Development Department   | Highly heat-resistant and light-resistant transparent plastics   | DNV/01635-2006-AQ-KOB-RvA/JAB              |
| Solar Energy Division<br>Kaneka Solar-tech Co., Ltd.  | Photovoltaic modules   | JQA/QMA13200                               |
| Tochigi Kaneka Corporation  | Magnet roller, Vinyl pipe  | LRQA/958035                                |
| Showa Kaseikogyo Co., Ltd.  | Plastic compound   | ASR/Q0556                                  |
| Sanwa Kaseikogyo Co., Ltd.  | Eperan, Eperan PP  | JMA-QA/729                                 |
| Kanto Styrene Co., Ltd.   | Styrene foam products  | JACO/QC03J0233                             |
| Kitaura Jushi Kogyo Co., Ltd.   | Styrene foam products  | JACO/QC01J0021                             |
| Tatsuta Chemical Co., Ltd.  | Plastic film, Plastic sheet  | BVQI/111289                                |
| Hokkaido Kaneppearl Co., Ltd.   | Kaneppearl   | LRQA/4002793                               |
| Kaneka Sun Spice Co., Ltd.  | Spices, Processed foods  | JQA/QMA11351                               |
| Osaka Synthetic Chemical Laboratories, Inc.   | Pharmaceutical intermediates, Industrial organic chemicals   | JCQA/0444                                  |
| Taiyo Yushi Co., Ltd.   | Margarine, shortening  | JACO/QC08J0096                             |
| Kaneka Belgium N.V.   | MBS, Eperan, Eperan PP, MS Polymer   | AIB VINCOTTE/91 028c                       |
| Kaneka Texas Corp.  | Apical<br>MBS  | ABS QE/ABS33959<br>BSI/FM72722             |
| Kaneka (Malaysia) Sdn. Bhd.   | MBS  | SIRIM QAS/AR2321                           |
| Kaneka Eperan Sdn. Bhd.   | Eperan, Eperan PP  | SIRIM QAS/AR2598                           |
| Kaneka Paste Polymers Sdn. Bhd.   | Vinyl chloride paste resin   | SIRIM QAS/AR2609                           |
| Kaneka Eperan (Suzhou) Co., Ltd.  | Eperan PP  | UL Inc./A17676                             |
| KSS Viet Nam  | Preparation of spices, herbs and dried vegetables  | BSI/AR2609                                 |

\* Hokkaido Kaneka Co., Ltd. and Kyushu Kanelite Co., Ltd. are both included in the certification for registry number 0673.

## ISO 13485 Certified Division/Group Company

| Division/Company                         | Major Product                  | Registry Org./ Registry No. |
|--|--------------------------------|-----------------------------|
| Medical Equipment Division               | Lixelle, Liposorber, Catheters | TÜV/Q1N 08 09<br>24736 014  |
| Kaneka Medix Co., Ltd. (Kanagawa Office) | Silascon, ED coil Catheters    | TÜV/Q1N 08 09<br>24736 014  |