



Data Sheet 2018

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Environment

Basic Policy

In keeping with our ESG Charter, we at the Kaneka Group will contribute to realizing sustainable development and the enrichment of society by conserving resources and reducing environmental impacts at each stage of the entire product lifecycle.

Important matters pertaining to the protection of the global environment are decided by the ESG Committee. Meanwhile, issues on global environment protection are shared and further discussed at the management meeting, the plant management meeting, and other meetings. The medium-term management plan also focuses on strengthening initiatives on important matters to further improve our ESG management.

Material Balance in Production Activities

Kaneka Group's fiscal 2017 energy and resource inputs, as well as material outputs through emissions and products, are listed below.

INPUTS Energy and Resources

Legend (from top)
Kaneka
Group companies in Japan
Group companies outside Japan

Main raw materials (see note 1)
1,160,000 tons/year
254,000 tons/year
395,000 tons/year

Energy (Crude oil equivalents)
430,000 kiloliters/year
79,000 kiloliters/year
154,000 kiloliters/year

Water
22.0 million m ³ /year
3.8 million m ³ /year
7.7 million m ³ /year

Kaneka

Group companies
in Japan
45

Group companies
outside Japan
15

OUTPUTS Discharges, Recycling, and Products

■ Products (see note 2) ■ Into the atmosphere
■ Into water systems ■ As waste

Products	CO₂	SO_x
1,529,000 tons/year 238,000 tons/year 315,000 tons/year	1,086,000 tons-CO ₂ /year 169,000 tons-CO ₂ /year 287,000 tons-CO ₂ /year	73.2 tons/year 29.2 tons/year 0.7 tons/year
NO_x	Soot and dust	PRTR Law designated substances
869.9 tons/year 49.6 tons/year 68.9 tons/year	23.7 tons/year 1.0 tons/year 2.9 tons/year	60.8 tons/year 90.0 tons/year —
Chemical oxygen demand	Suspended solids	PRTR Law designated substances
257.0 tons/year 7.1 tons/year 99.2 tons/year	150.1 tons/year 6.7 tons/year 28.2 tons/year	17.7 tons/year 0.0 tons/year —
Nitrogen	Phosphorous	
154.0 tons/year 1.4 tons/year 1.1 tons/year	5.0 tons/year 0.2 tons/year 1.1 tons/year	
External recycling	External reduction	Final landfill
37,410 tons/year 7,490 tons/year 5,486 tons/year	1,150 tons/year 6,641 tons/year 3,702 tons/year	0.9 tons/year 806 tons/year 5,231 tons/year

Note:

- Raw materials calculated in or converted to tons.
- Products calculated in or converted to tons.

Environmental Accounting

We calculate the environmental costs (investments and expenditures) and benefits (material quantities), as well as economic impacts (in monetary units) of environmental measures on a consolidated basis for all parent manufacturing sites and group companies in Japan (manufacturing companies).

Results of Environmental Accounting for Fiscal 2017

■ Environmental Costs

(Millions of yen)

Cost Classifications	Main Efforts	Fiscal 2015		Fiscal 2016		Fiscal 2017	
		Investments	Expenditure	Investments	Expenditure	Investments	Expenditure
Business Area		1,054	5,175	1,046	4,884	1,177	5,036
1. Pollution Prevention	Air and water pollution prevention	939	3,266	1,011	3,150	1,130	3,236
2. Environmental Conservation	Addressing climate change and energy saving	-	-	-	-	-	-
3. Resource Recycling	Waste processing, recycling, and reduction	115	1,909	35	1,734	47	1,800
Upstream and Downstream	Product recycling, collection, and processing	1	10	0	8	0	8
Management Activities	Environmental education for employees and environmental impact monitoring and measurement	5	388	0	457	10	412
Research and Development	Research and development of products contributing to environmental conservation	0	6,680	0	6,728	0	7,203
Social Activities	Greening, beautification, and disclosure of environmental information	0	93	0	72	2	82
Environmental Damage	Payment of sulfur oxide emission charges	0	10	0	8	0	10
Total		1,060	12,356	1,046	12,157	1,188	12,752

Note: These calculations are based on the 2005 edition of the Environmental Accounting Guidelines by Japan's Ministry of the Environment and other reference materials, with partial modifications.

Figures do not include research and development investment and global environment conservation costs.

Amounts reported here may not fully match, due to rounding.

■ Quantitative Impact of Environmental Conservation Efforts

Category	Initiatives	Items	Units	Fiscal 2015	Fiscal 2016	Fiscal 2017
Pollution Prevention	Reduce atmospheric and water discharges of hazardous substances	SOx emissions	Tons	110.6	131.0	102.4
		NOx emissions	Tons	882.5	924.6	919.5
		Chemical oxygen demand	Tons	268.9	275.4	264.1
		PRTR Law-designated chemical emissions	Tons	148.5	160.3	168.5
Environment	Lower greenhouse gas emissions	CO ₂ emissions	Thousands of tons of CO ₂	1,259.0	1,228.0	1,255.0
	Use less energy	Crude oil equivalents	Thousands of kiloliters	491.0	489.0	509.0
Resource Recycling	Reduce final landfill	Final landfill	Tons	48.9	252.0	806.9
	Increase external recycling	Amounts recycled	Tons	47,962.0	43,633.0	44,900.0

* Scope of aggregation

The FY 2015 figures exclude data for facilities other than manufacturing facilities of Kaneka and its group companies in Japan. The FY 2016 and FY 2017 figures include data for both the manufacturing and other facilities of Kaneka and its group companies in Japan.

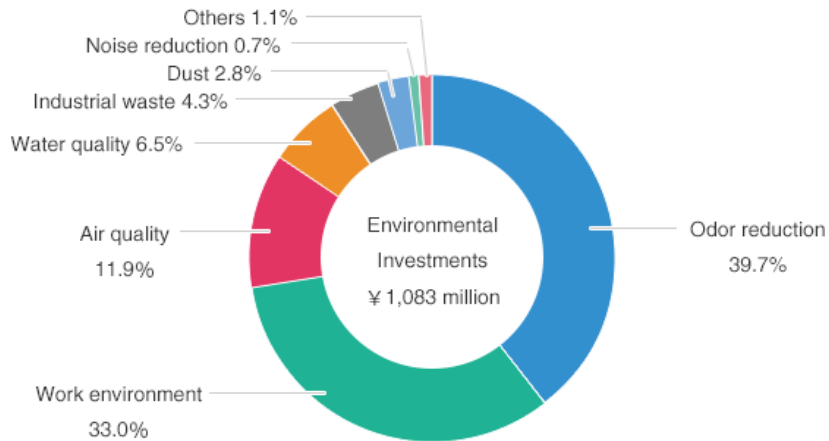
■ Economic Impacts of Environmental Measures

(Millions of yen)

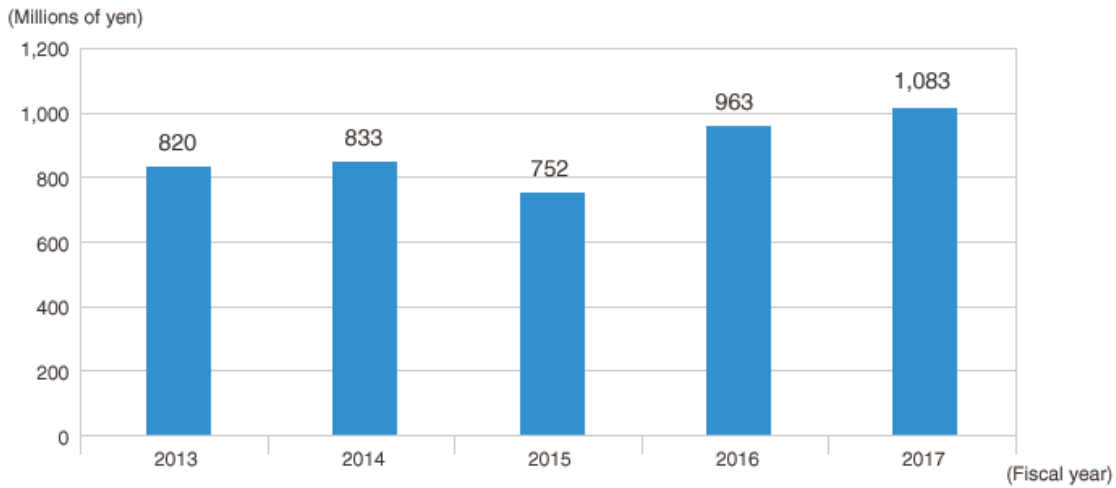
Measures	Fiscal 2015	Fiscal 2016	Fiscal 2017
Revenue from Recycling	249	130	258
Cost Reductions by Better Resource Efficiency (Output per Unit of Input)	345	-297	4
Waste Disposal Cost Reductions by Recycling	157	489	327
Cost Reductions by Energy Conservation	631	123	177
Total	1,382	445	766

Environmental Investments (Kaneka)

■ Environmental Investments in Fiscal 2017

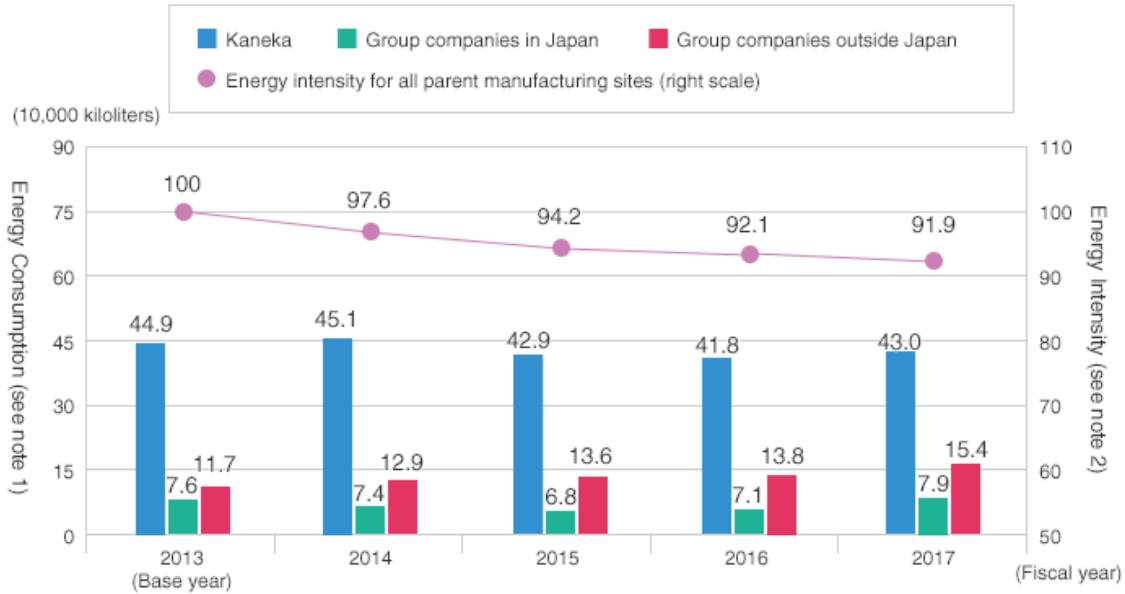


■ Cumulative Environmental Investments



Energy Conservation Efforts

■ Energy Consumption (Crude Oil Equivalents) and Energy Intensity

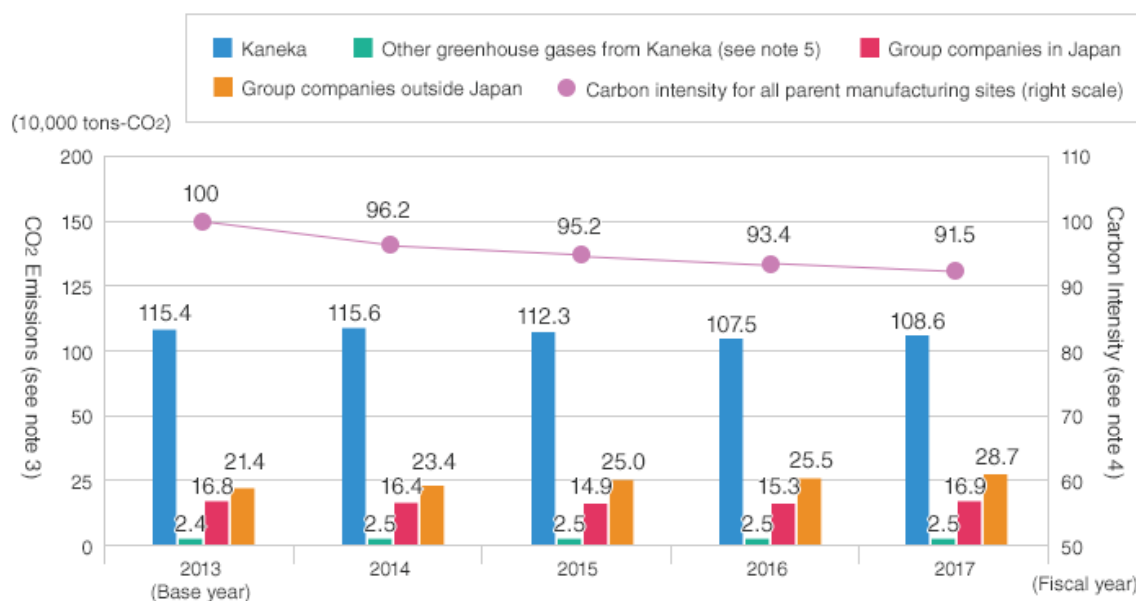


Notes:

1. This energy consumption is the total for Kaneka (manufacturing sites and other facilities), with the boundaries being consistent with the Act on the Rational Use of Energy and the Action Plan for a Low Carbon Society prepared by the Japan Chemical Industry Association.
2. Energy intensity index is a numeral value calculated by dividing the energy used in manufacturing (at all our parent manufacturing sites) by the active mass and indexing it against the baseline year of fiscal 2013 as 100. The amount of activity is an index representing the production volume of all our parent manufacturing sites. Energy consumption is calculated based on the Energy Saving Law (the Act on Rational Use of Energy).

Initiatives to Cut Carbon Intensity

■ CO₂ Emissions from Energy Consumption and Carbon Intensity



Notes:

- Carbon dioxide emissions are calculated as prescribed by the Act on Promotion of Global Warming Countermeasures, and as with energy the figure is a non-consolidated total for Kaneka.
- The carbon intensity index is calculated as carbon dioxide emissions from energy consumption in production activities divided by activity volume, with the index set at 100 in the base year of fiscal 2013, using fixed numbers for Kaneka. It helps in the visualization of the impact of our activities, and was used to establish targets for fiscal 2020.
- Other greenhouse gases on a non-consolidated basis include carbon dioxide, methane, and dinitrogen monoxide from non-energy sources. Emission volumes are calculated in keeping with the Act on Promotion of Global Warming Countermeasures.

CO₂ Emissions from Business Activities throughout the Supply Chain

■ GHG Emissions by Scope (Kaneka, fiscal 2017 results)

Scope		GHG emissions [1,000 t CO ₂ e/year]
Scope 1	Direct emissions (see note 6)	808.9
Scope 2	Indirect emissions from energy consumption	302.0
Scope 3	Other indirect emissions (upstream/downstream)	2,130.2
Total GHG emissions		3,241.0

Note 6: Non-energy CO₂ emissions and equivalent CO₂ emissions of methane and nitrous oxide are included.

■ Scope 3 Emissions (Kaneka, fiscal 2017 results)

Category		GHG emissions [1,000 t CO ₂ e/year]
1	Purchased goods/services	1,489.8
2	Capital goods	78.7
3	Fuel-and energy-related activities not included in Scope 1 or Scope 2	92.4
4	Upstream transportation and distribution	26.3
5	Waste generated in operations	2.3
6	Business travel	4.3
7	Employee commuting	0.8
8	Upstream leased assets	0.0
9	Downstream transportation and distribution	— (Note 7)
10	Processing of sold products	— (Note 7)
13	Downstream leased assets	0.0
14	Franchises	— (Note 8)
15	Investments	435.6
Scope 3 total		2,130.2

[Calculation methods] The Scope 3 emissions were calculated in accordance with the Basic Guidelines (Ver. 2.3) on the Calculation of Greenhouse Gas Emissions Throughout the Supply Chain and the Emissions Unit Database (Ver. 2.5) for Calculation of Greenhouse Gas Emissions, etc. by Organizations Throughout the Supply Chain, published by the Ministry of Environment. Methods for calculating GHG emissions for Category 11 "Use of sold products" and Category 12 "End-of-life treatment of sold products" are under consideration.

Notes:

7. GHG emissions for this category were not calculated because we were unable to determine a rational calculation method due to the high percentage of intermediate products.

8. GHG emissions for this category were not calculated because we have no franchise stores.

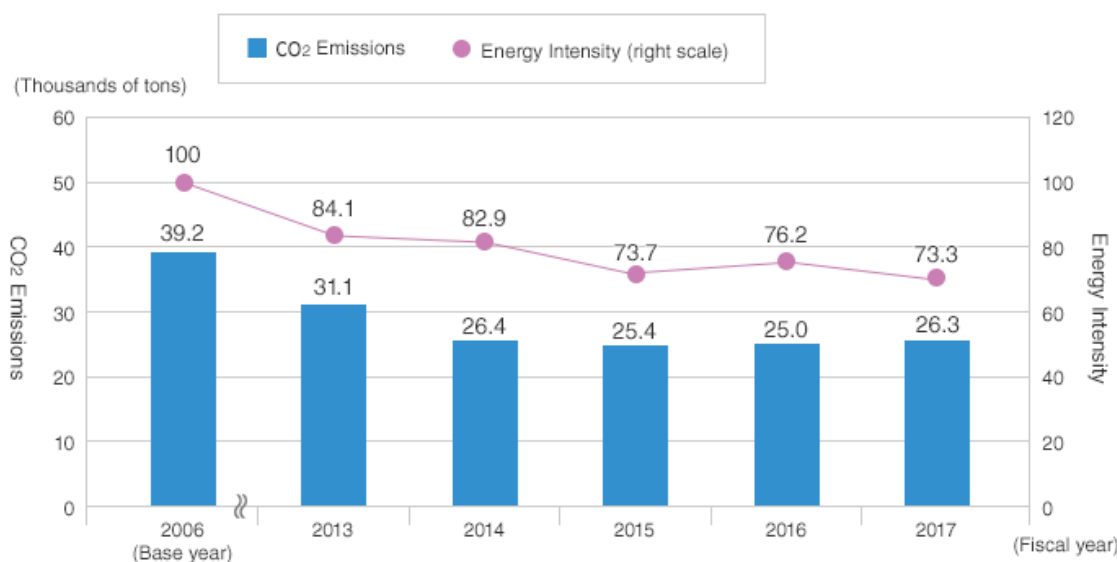
Investments in Energy-Efficient Facilities

■ Results of Our Own Environmental Capital Investment Program

Fiscal Year	Investments	Number	Reduced CO ₂ Emission
2013	¥200 million	29	1,993 tons-CO ₂ /year
2014	¥200 million	37	1,644 tons-CO ₂ /year
2015	¥200 million	22	1,435 tons-CO ₂ /year
2016	¥200 million	23	1,688 tons-CO ₂ /year
2017	¥200 million	15	1,654 tons-CO ₂ /year

Energy-Efficiency Initiatives in Logistics

■ CO₂ Emissions and Energy Intensity from Logistics



Fiscal 2006 is the base year for indexing the logistics energy intensity as 100.

Response to the Fluorocarbons Emission Control Law

The estimated leakage amount of fluorocarbons generated in fiscal 2017 was 2,310 tons-CO₂, a decrease of 11,237 tons-CO₂ over the previous fiscal year, due to the replacement of aging equipment and strengthened equipment management. In particular, the replacement of large refrigerating machines at Kashima Manufacturing Site contributed to reduction of the leakage amount of fluorocarbons.

Some Group companies in Japan reported leakage of fluorocarbons from their refrigerating machines. The amount of fluorocarbons leaked was 1,542 tons-CO₂, exceeding the level of 1,000 tons-CO₂.

We will continue working hard to reduce the leakage amount of fluorocarbons, which significantly

contributes to the greenhouse effect, by performing equipment inspections for early detection of leaks and prompt action, and by promoting the systematic replacement of equipment to low-GWP (see note 9) and non-fluorocarbon alternatives.

Note 9: GWP (Global warming potential) is a figure that shows, on the basis of carbon dioxide, how other greenhouse gases are capable of causing global warming.

Environmental Management Systems

■ Kaneka and Group Company Certification under ISO 14001

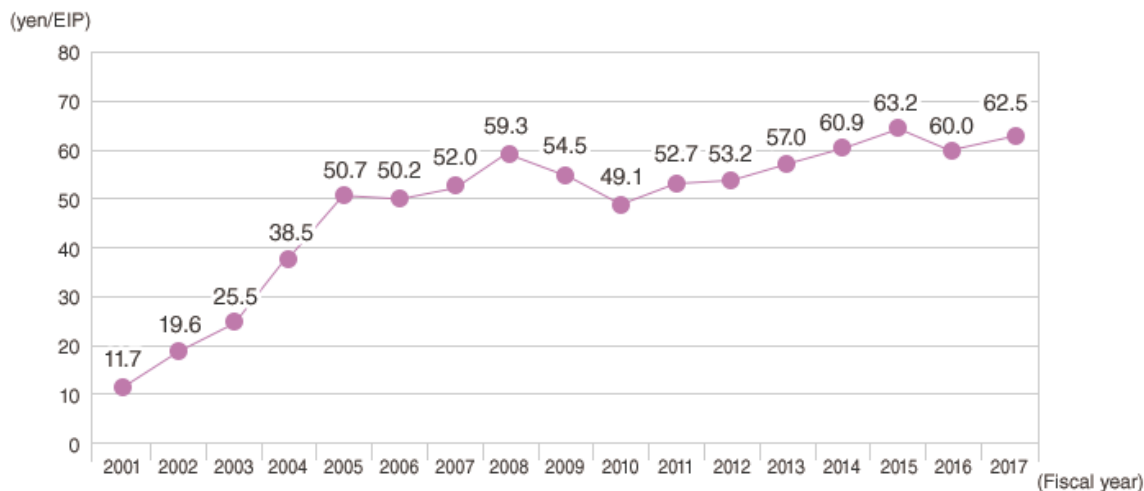
Manufacturing Sites and Group Companies	Registration No.
Shiga Manufacturing Site	YKA4004950
Osaka Manufacturing Site	JCQA-E-0053
Kashima Manufacturing Site	JCQA-E-0054
Takasago Manufacturing Site	JCQA-E-0105
Tochigi Kaneka Co., Ltd.	YKA4004384
Osaka Synthetic Chemical Laboratories, Inc.	JCQA-E-0343
Tatsuta Chemical Co., Ltd. Koga Plant	3571208
Showa Kaseikogyo Co., Ltd. Hanyu Headquarters Factory	E0062
Cemedine Co., Ltd. Ibaraki Office	JCQA-E-0366
Cemedine Co., Ltd. Mie Plant	JCQA-E-0176
Cemedine Co., Ltd. Kinuura Plant	497791UM
Vienex Corporation	JSAE1511
Kaneka Solartech Corporation	JQA-EM6704
Sanvic Inc.	JMAQA-E841
Kaneka Belgium N.V.	97 EMS 002e
Kaneka (Malaysia) Sdn. Bhd.	ER0523
Kaneka Paste Polymers Sdn. Bhd.	ER0523
Kaneka Eperan Sdn. Bhd.	ER0523
Kaneka Innovative Fibers Sdn. Bhd.	ER0523
Kaneka Apical Malaysia Sdn. Bhd.	ER0916

■ Eco-Action 21 Certification

Group Company	Certification and Registration No.
Kyushu Kanelite Co., Ltd.	0001637
Kaneka Hokkaido Styrol Co., Ltd.	0001805
Kaneka Medix Corporation	0001893
Hokkaido Kanelite Co., Ltd.	0001905
Kaneka Tohoku Styrol Co., Ltd.	0010773
Nagashima Shokuhin Co., Ltd.	0003093
Kaneka Foam Plastics Co., Ltd. Moka Plant	0003247
Kaneka Chubu Styrol Co., Ltd.	0006600
Tokyo Kaneka Foods Manufacturing Corporation	0003473
Taiyo Yushi Corporation	0003575
Kaneka Foods Manufacturing Corporation	0003491
Kaneka Sun Spice Corporation	0003556
Kaneka Nishinippon Styrol Co., Ltd. Headquarters, Saga Plant, Kagoshima Plant, and Nagasaki Plant	0003949
Kanto Styrene Co., Ltd.	0004035
Kaneka Kanto Styrol Co., Ltd.	0004259
OLED Aomori Co., Ltd.	0010329
Kochi Styrol Co., Ltd.	0011039

Environmental Efficiency (Kaneka)

■ Environmental Efficiency

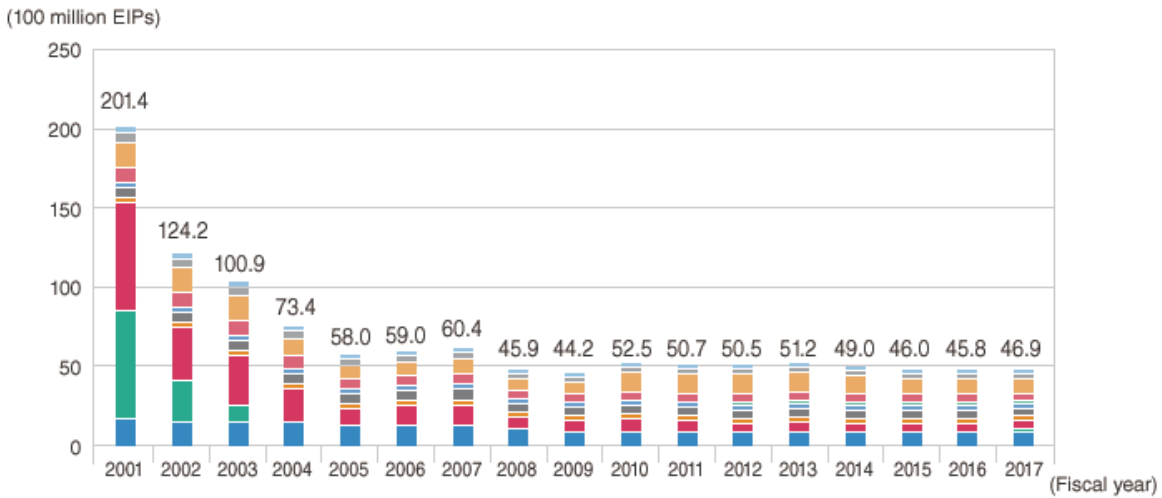
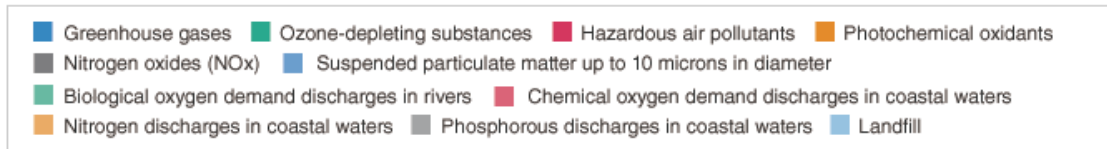


We assess the environmental impacts of our production activities using Environmental Impact Points (EIP), which are compiled using the JEPIX methodology (see note 1), and we use those points to assess our environmental efficiency (see note 2).

Notes:

1. The Japan Environmental Policy Priorities Index (JEPIX) methodology involves the calculation of an "eco-factor" coefficient for each emitted substance that has an environmental impact, using a ratio of the annual target for emissions under national environmental policies versus actual annual emissions ("Distance to Target"). The eco-factors are then multiplied by a quantity for each environmental impact to produce a single integrated index known as Environmental Impact Points (EIP). Calculations of eco-factors are done by the JEPIX Project (www.jepix.org, in Japanese).
2. Environmental efficiency is a yardstick to measure efforts to maximize value while minimizing environmental impacts, with the aim of achieving sustainable growth. Kaneka calculates this by dividing net sales (yen) by the EIP.

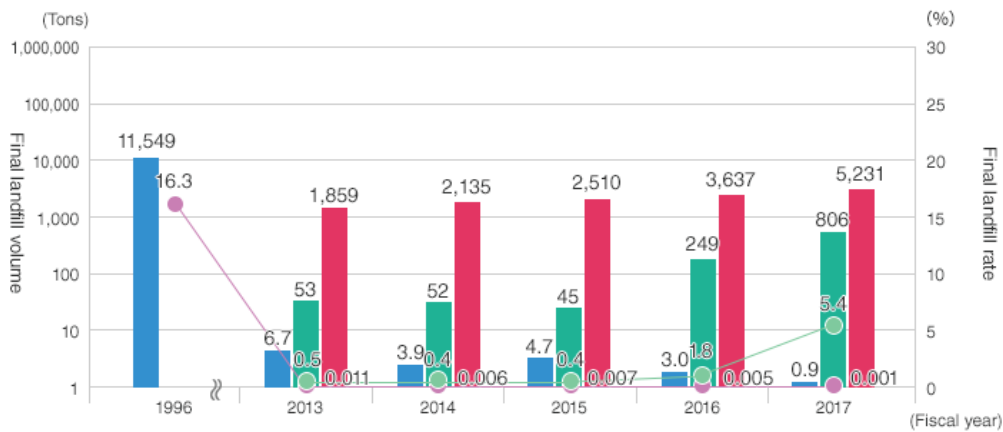
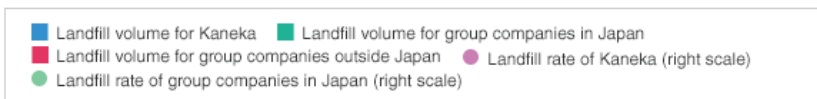
■ Details of Total Environmental Impact



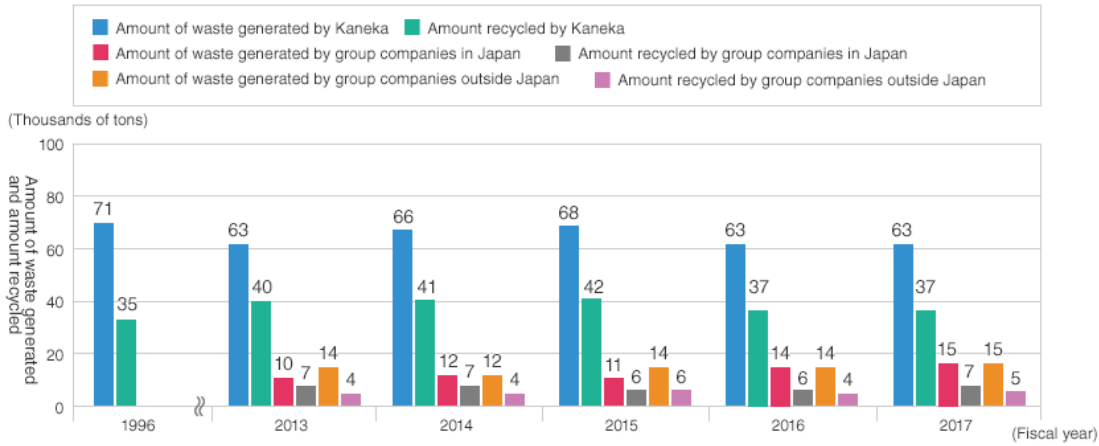
Reducing Waste and Preventing Pollution

Cutting Waste Sent to Landfill

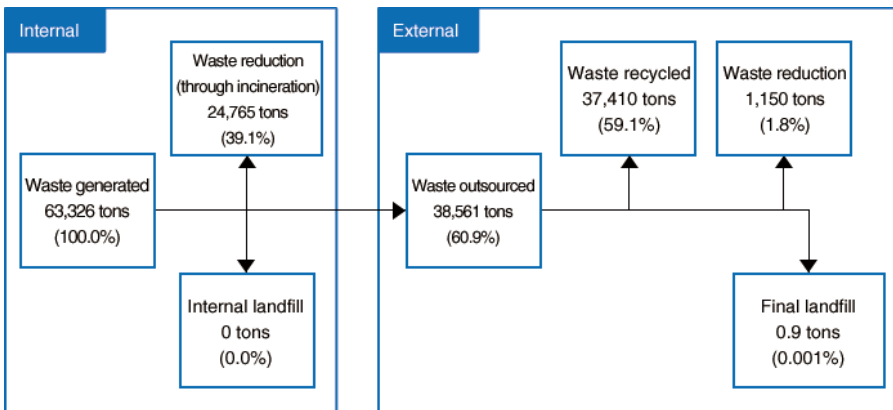
■ Volume and Ratio of Waste sent to Landfill



Waste Generated and Recycled

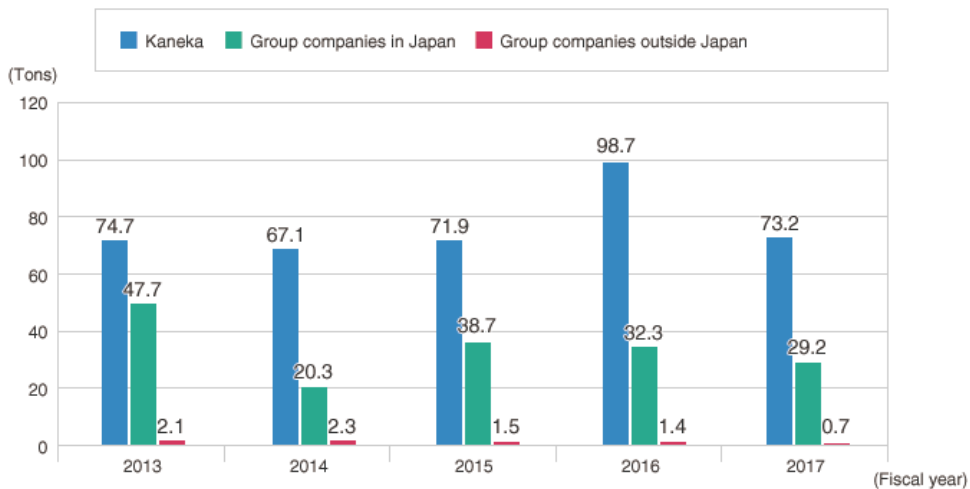


Waste Flow: From Generation to Landfill

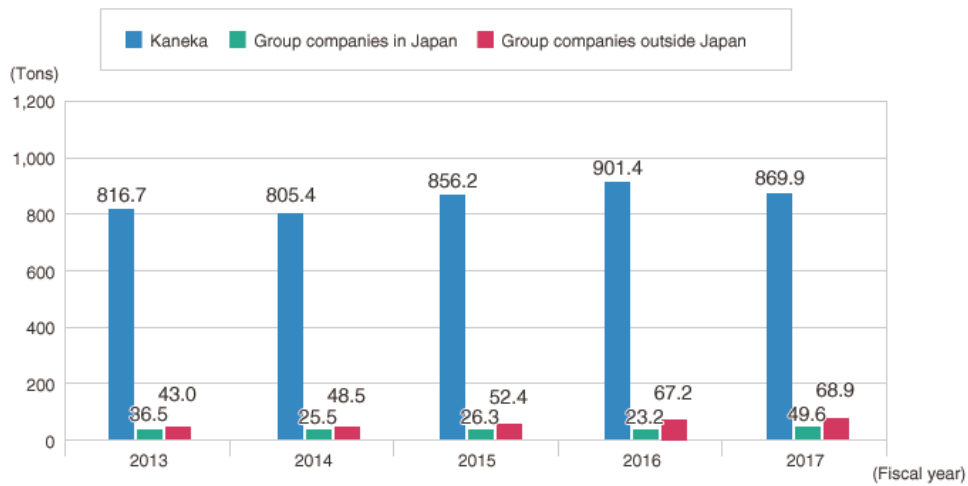


Preventing Air and Water Pollution

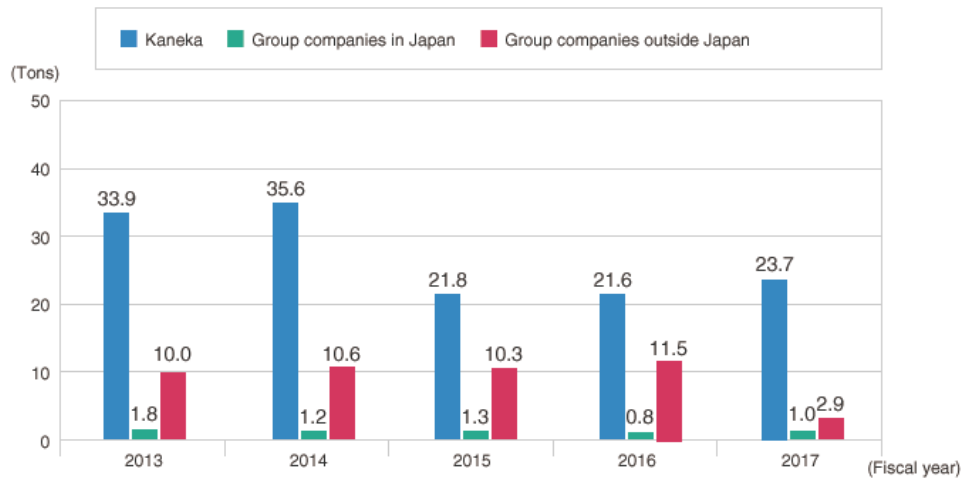
SOx Emissions



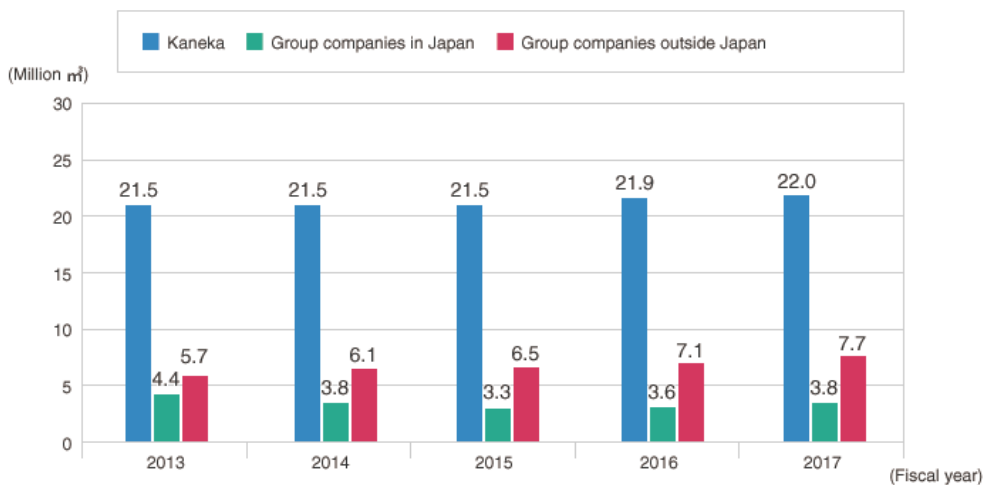
■ NOx Emissions



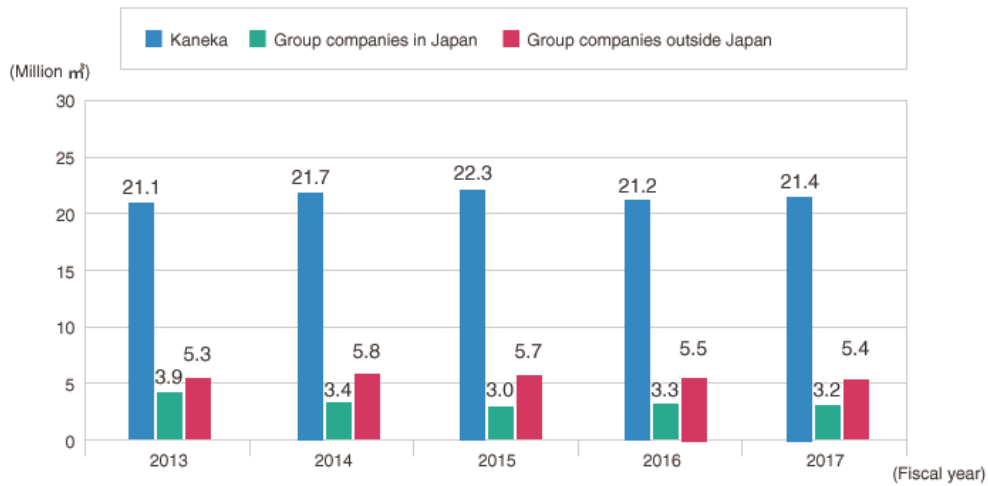
■ Soot and Dust Emissions



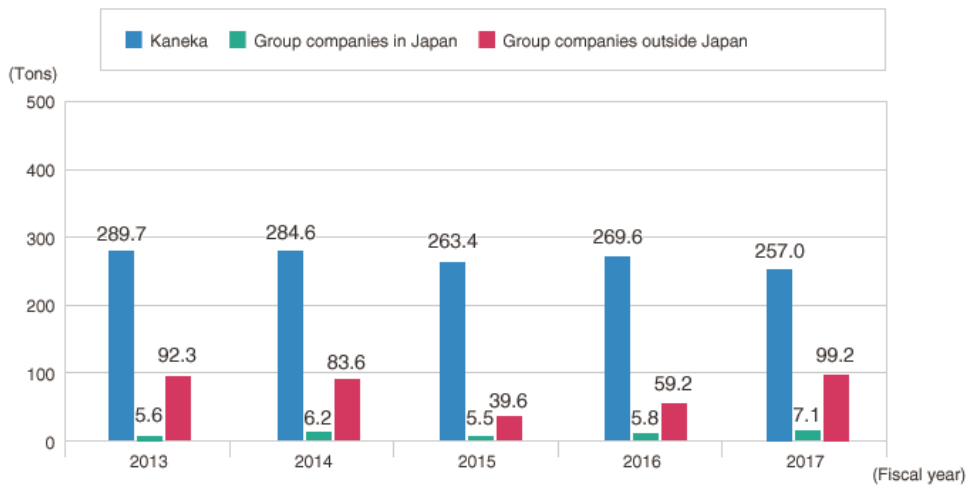
■ Water Consumption (see note 1)



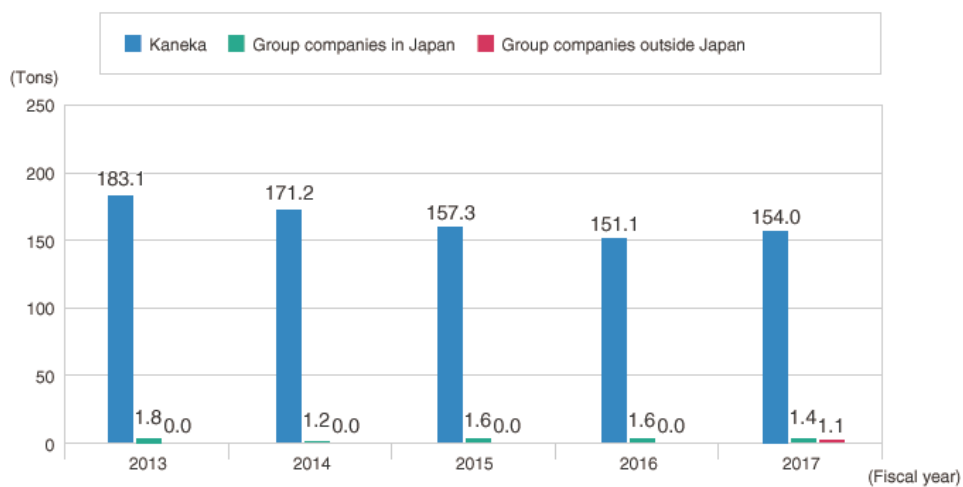
■ Wastewater Discharges (see note 1)



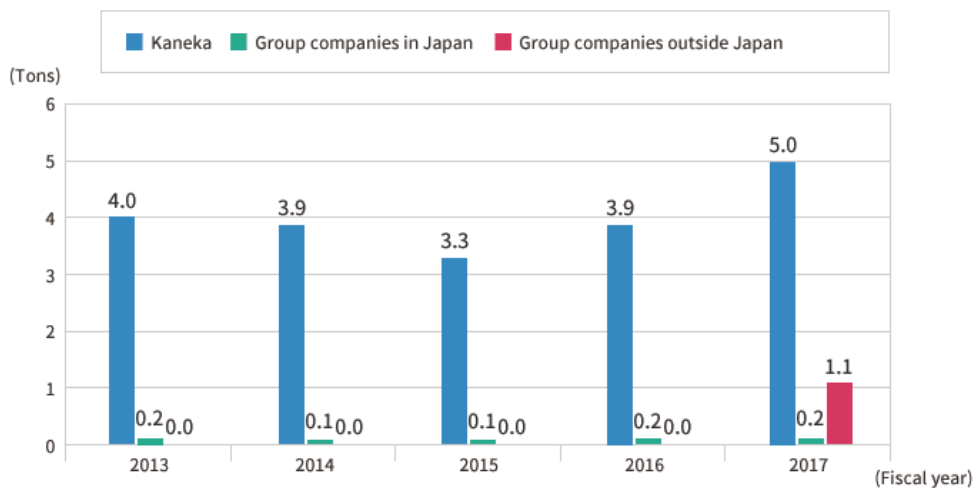
■ COD in Wastewater (see note 1)



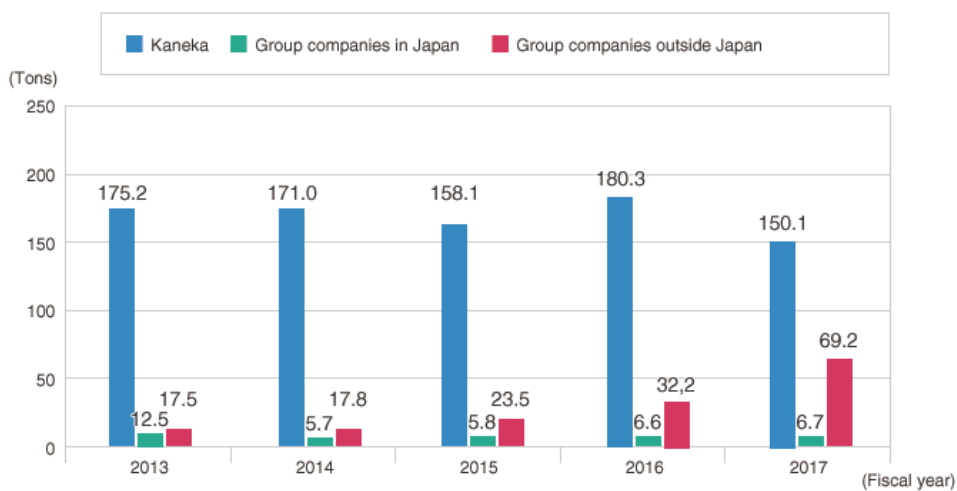
■ Nitrogen in Wastewater (see note 1)



■ Phosphorous in Wastewater (see note 1)



■ Suspended solids in Wastewater (see note 1)

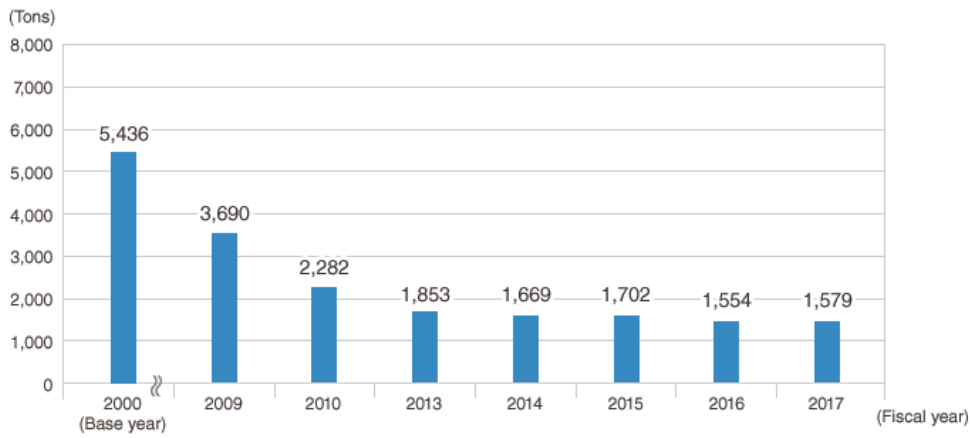


Note 1: From fiscal 2015, our water consumption and wastewater volume include those generated from non-manufacturing facilities other than the plant department.

Reducing Chemical Substance Discharge

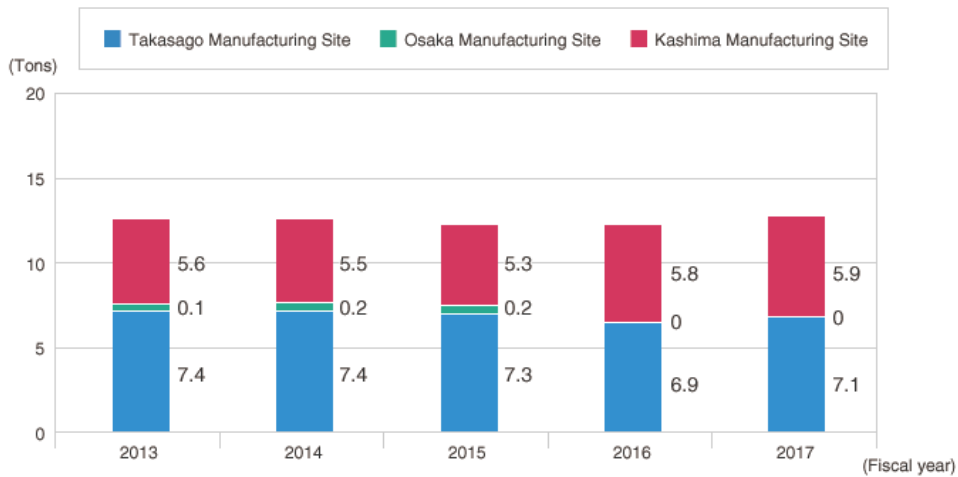
VOC (Volatile Organic Compounds) Discharge

■ VOC discharge reduction record (All parent manufacturing sites)

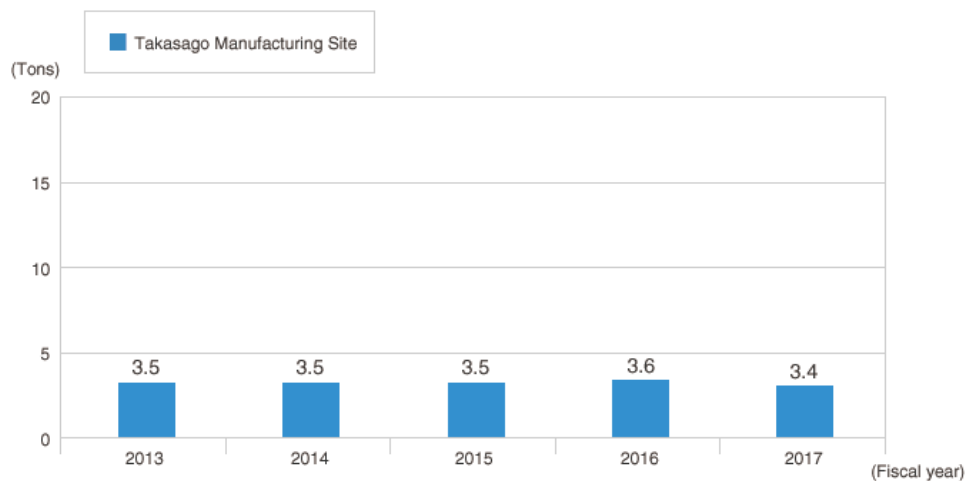


Hazardous Atmospheric Pollutants (Data of six substances for each manufacturing site of Kaneka)

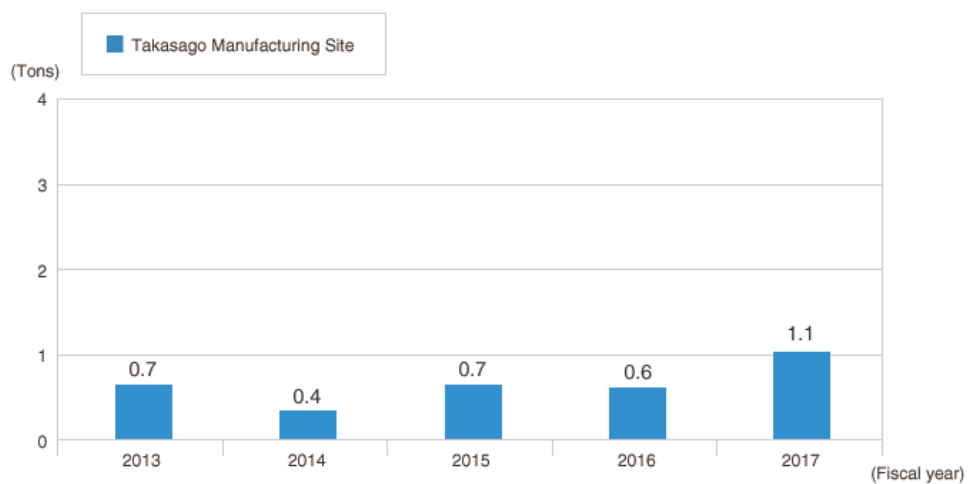
■ Chloroethylene



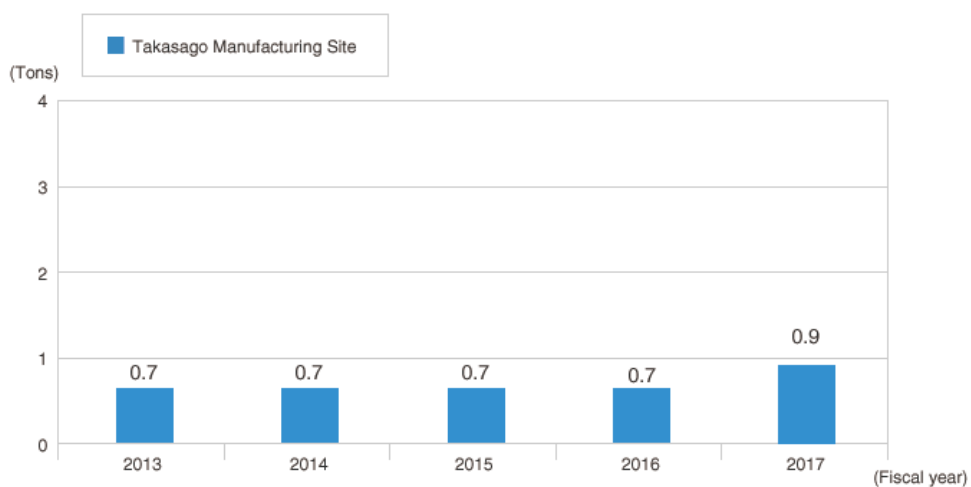
■ 1,2-Dichloroethane



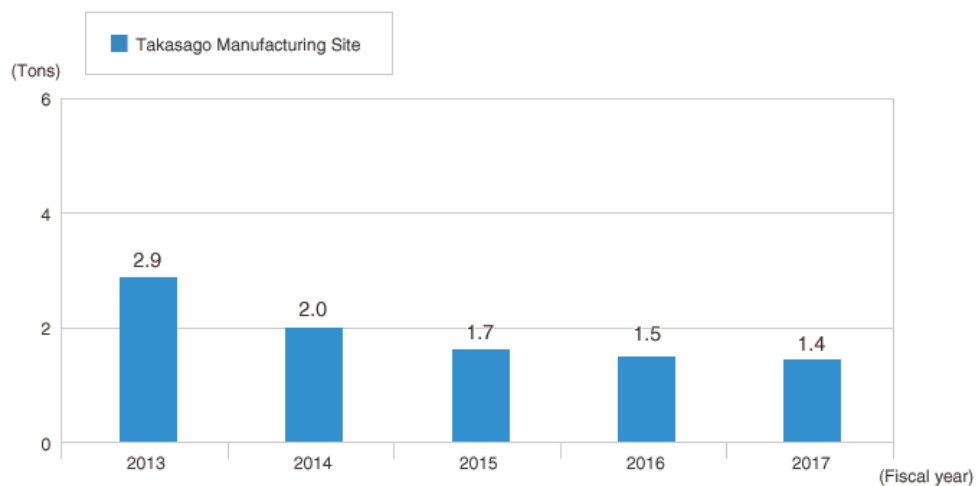
■ Chloroform



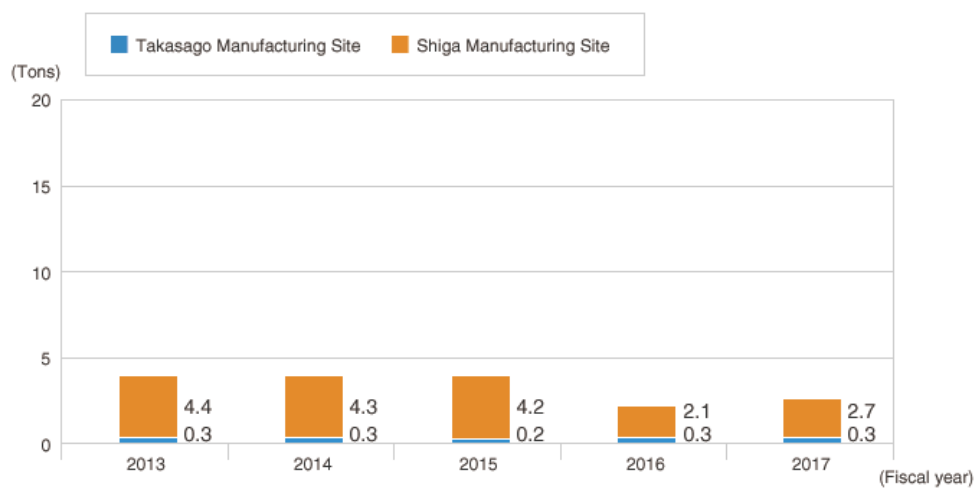
■ Acrylonitrile



■ 1,3-Butadiene



■ Dichloromethane



PRTR Discharge

■ Fiscal 2017 Kaneka Emissions Subject to the Pollutant Release and Transfer Register Law

(Kilograms)

	Designated Number under Ordinance	Chemical Substances	Fiscal 2017					Fiscal 2016	
			Emissions				Transferred	Emissions	
			Atmospheric Emissions	Discharges into Public Waterways	Discharges into Soli	Internal Landfill	Total	Total	Total
Large Discharges of 10 Substances	392	N-hexane	13,400	0	0	0	13,400	133,235	13,200
	94	Chloroethylene (vinyl chloride)	12,900	110	0	0	13,010	960	12,810
	275	Sodium dodecyl sulfate	0	8,400	0	0	8,400	0	8,500
	240	Styrene	5,490	42	0	0	5,532	5,180	5,810
	420	Methyl methacrylate	5,400	3	0	0	5,403	8	5,003
	232	N,N- dimethylfor- mamide	3,100	1,200	0	0	4,300	340,000	2,830
	134	Vinyl acetate	3,900	160	0	0	4,060	0	4,013
	7	N-butyl acrylate	3,950	0	0	0	3,950	3,330	4,170
	157	1,2- dichloroethane	3,400	30	0	0	3,430	0	3,600
	186	Dichlorometha- ne (methylene dichloride)	2,951	0	0	0	2,951	57,730	2,352
Total Other than the 10 Substances Above			7,853	7,736	0	0	15,590	35,286	14,270
Grand Total for All Substances			62,344	17,682	0	0	80,026	575,729	76,558

Of the 462 substances subject to the PRTR, Kaneka reports about 58 items.

Amounts reported here may not fully match, due to rounding.

■ Fiscal 2017 Group Company in Japan Emissions Subject to the Pollutant Release and Transfer Register Law (Kilograms)

	Designated Number under Ordinance	Chemical Substances	Fiscal 2017						Fiscal 2016
			Emissions					Transferred	Emissions
			Atmospheric Emissions	Discharges into Public Waterways	Discharges into Soli	Internal Landfill	Total	Total	Total
Large Discharges of 10 Substances	232	N,N-dimethylformamide	47,020	0	0	0	47,020	3,111	39,020
	300	Toluene	21,657	0	0	0	21,657	379,667	22,354
	186	Dichloromethane (methylene dichloride)	9,663	0	0	0	9,663	175,138	11,600
	80	Xylene	4,644	0	0	0	4,644	0	4,400
	213	N,N-dimethylacetamide	1,700	0	0	0	1,700	83,000	1,600
	392	N-hexane	1,700	0	0	0	1,700	32,400	1,800
	296	1,2,4-trimethylbenzene	2,421	0	0	0	2,421	0	0
	56	Ethylene oxide	616	0	0	0	616	0	1,022
	127	Chloroform	525	0	0	0	525	7,225	568
355	Bis (2-ethylhexyl) phthalate (DEHP)	57	48	0	0	105	475	110	
Total Other than the 10 Substances Above			0	0	0	0	0	27,058	0
Grand Total for All Substances			90,002	48	0	0	90,050	708,074	82,474

Of the 462 substances subject to the PRTR, group companies in Japan reports about 31 items.

Amounts reported here may not fully match, due to rounding.

Safety

Occupational Safety and Health

Zero Accident Principles

◆ **All people, you and me, are indispensable**

We ensure everyone is working safely.

Pledge of safety

◆ **Safety is everyone’s responsibility**

We do not miss sparing the time to seek safety.

Participation in safety

◆ **There is no trick to safety**

We always value a fundamental approach to it.

Adherence to safety basics

◆ **Be aware of potential danger**

We endeavor to eliminate safety risks.

Safety in advance

◆ **Where there is carelessness, there is the possibility of an accident**

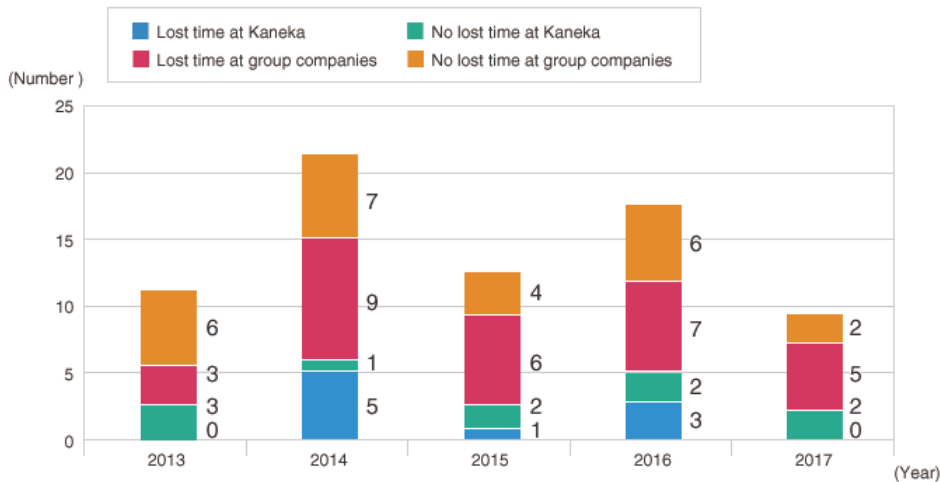
We do not allow even a small chance of negligence.

99%, yet 0%

■ OSHMS Certifications

Manufacturing Site	Location	Certification Date	Certification No.
Takasago Manufacturing Site	Hyogo	March 10, 2008	08-28-13
Osaka Manufacturing Site	Osaka	August 21, 2007	07-27-10
Shiga Manufacturing Site	Shiga	August 15, 2008	08-25-6
Kashima Manufacturing Site	Ibaraki	December 13, 2010	10-8-26

■ Number of Group Employee Accidents Resulting/Not Resulting in Lost Time



■ Accident Severity Rate and Accident Frequency Rate at Kaneka and Group Companies

Area	All Kaneka Group		Kaneka		Group Companies in Japan and Overseas	
	2016	2017	2016	2017	2016	2017
Frequency	0.56	0.31	0.35	0	0.67	0.47
Accident Severity Rate	0.01	0.01	0.01	0	0.01	0.01

■ In-house Safety Commendation

Group Company	Zero Accident Period (as of the end of fiscal 2017)
Kaneka Solartech Corporation	November 16, 2013 – (4 years and 4 months)
Kaneka Medix Corporation	November 8, 2010 – (7 years and 4 months)
Tochigi Kaneka Corporation	May 26, 2012 – (5 years and 10 months)
Nagashima Shokuhin Co., Ltd.	No accidents since the commencement of operations (25 years)
Kanto Styrene Co., Ltd.	January 14, 2010 – (8 years and 2 months)
Kaneka Chubu Styrol Co., Ltd.	November 29, 2005 – (12 years and 4 months)
Kaneka Nishinippon Styrol Co., Ltd.	December 10, 2010 – (7 years and 3 months)

Basic Safety Policies

- ◆ Safety forms our management foundation, and is the basis of all corporate activities.
- ◆ Safety is the foundation of local and worldwide communities' confidence in Kaneka.
- ◆ Safety is based on our belief that "All accidents can be prevented."
- ◆ Safety is the responsibility of every employee in accordance with his/her duties.
- ◆ Safety must be maintained continuously.

■ Comprehensive Disaster Drills

Manufacturing Site	Date	Participants	Details
Takasago Manufacturing Site	December 15, 2017	2,237	The Manufacturing Site held a joint firefighting drill with the Takasago City Fire Department based on the scenario of an earthquake resulting in a fire caused by a hazardous substance leak.
Osaka Manufacturing Site	March 19, 2018	1,097	The Manufacturing Site held a joint firefighting drill with the Settsu City Fire Department based on the scenario of an earthquake resulting in a fire caused by a high-pressure gas leak.
Shiga Manufacturing Site	November 22, 2017	395	The Manufacturing Site held a firefighting drill based on the scenario of an earthquake resulting in a fire in a warehouse.
Kashima Manufacturing Site	October 18, 2017	216	The Manufacturing Site held a firefighting drill based on the scenario of an earthquake resulting in a fire caused by a hazardous substance leak.

ISO 9001 Certification of Kaneka and Group Companies

Division or Group Company (SV : Solutions Vehicle)	Major Products	Registry Organization and Number
Vinyls and Chlor-Alkali SV	Caustic soda, hydrochloric acid, sodium hypochlorite, liquid chlorine, vinyl chloride monomers, polyvinyl chloride, polyvinyl chloride paste, heat-resistant polyvinyl chloride, and OXY chlorination catalyst	JCQA / JCQA-1263
Performance Polymers SV	Modifier resins (Kane Ace and Kaneka Telalloy), modified silicone polymer (Kaneka MS Polymer), polymer-based adhesive (Silyl), weather-resistant methyl methacrylate film (Sunduren), isobutylene-based thermoplastic elastomer (SIBSTAR), terminally reactive liquid acrylic polymer (KANEKA XMAP), and telechelic polyacrylate (Kaneka TA Polymer)	LRQA / YKA0927477
Foam & Residential Techs SV Hokkaido Kanelite Co., Ltd. Kyushu Kanelite Co., Ltd.	Bead technique-based polyolefin resins and molded products (Eperan, Eperan PP), bead techniquebased expandable polystyrene (Kanepearl), and extruded polystyrene foam board (Kanelite)	JCQA / JCQA-0673
E & I Technology SV	Ultra-heat-resistant polyimide films (Apical, Pixeo), optical film (Elmech), bonded magnets (Kaneka Flux), multi-layered insulation materials, PVC pipes for underground electric cables, high thermal-conductive graphite sheet (Graphinity), thermal conductive elastomer, and flexible cover coat ink	LRQA / YKA0935762
	Highly heat-resistant and light-resistant resins and molded products	DNV / 01635-2006-AQ-KOB-RvA/JAB
PV & Energy management SV Kaneka Solartech Corporation Kaneka Solar Marketing Corporation	Photovoltaic modules	JQA / JQA-QMA13200
Foods & Agris SV Takasago Manufacturing Site Foods Manufacturing Department Kaneka Foods Manufacturing Corporation Tokyo Kaneka Foods Manufacturing Corporation Nagashima Shokuhin Co., Ltd.	Margarine, shortening, edible oils and fats, edible refined oils and fats, whipped cream, concentrated milk products, modified milk, fermented milk products, flour paste, butter cream, chocolate, frozen dough, cheese, mayonnaise, cooking fillings, prepared foods, yeast, antifreeze protein, antifreeze polysaccharide, and seasoning materials	JQA / JQA-QMA10274
Kaneka Foods Corporation	Purchase, design, sales, technological services, and quality assurance for processed foods and raw materials, and sales of food processing machinery	
NJF Co., Ltd.	Production instruction of processing contractors	

OLED Business Development Project OLED Aomori Co., Ltd.	Organic electroluminescent lighting	JMAQA / JMAQA–2532
Showa Kaseikogyo Co., Ltd.	Plastic compounds	ASR / Q0556
Tatsuta Chemical Co., Ltd.	Plastic film, plastic sheet	BVJ / 3882662
Sanvic Inc.	Synthetic resin sheets and films	JMAQA / JMAQA–1824
Tobu Chemical Co.,Ltd.	Plastic wallpaper, vinyl chloride resin wallpaper	LRQA / YKA0958154
Cemedine Co., Ltd.	Development and manufacture of general and industrial adhesives, sealants and special paints	JCQA / JCQA–0386
Kaneka Hokkaido Styrol Co., Ltd.	Polystyrene foam molded products for engineering and construction	LRQA / YKA4002793/J
Kanto Styrene Co., Ltd.	Polystyrene foam molded products	JACO / QC03J0233
Kaneka Foam Plastics Co., Ltd. Moka Plant	Bead technique-based polyolefin molded products	ASR / Q1919
Kaneka Foam Plastics Co., Ltd. Kusyu Plant	Bead technique-based polyolefin molded products	JACO / QC17J0033
Vienex Corporation	Electronic products	JSA / JSAQ2593
Shinka Shokuhin Co., Ltd.,	Modifiers for bread and confectionery, processed fruit products, outsourced products (margarine, cooking fillings, modified milk)	JQA / JQA–QMA15323
Taiyo Yushi Corporation	Margarine, shortening, edible refined oils and fats, edible vegetable oils and fats, refined lard, other edible oils and fats, processed fats, dairy products, and food additives	JQA / JQA–QMA14671
Kaneka Sun Spice Corporation	Spices, secondary processed foods	JQA / JQA–QMA11351
Tochigi Kaneka Corporation	Bonded magnets (Kaneka Flux), multilayer insulation materials, PVC pipes for underground electric cables, high thermal-conductive graphite sheet (Graphinity), and solar battery assembly	LRQA / YKA0958035
Kaneka Belgium N.V.	Modifier resins (Kane Ace), bead technique-based polyolefins (Eperan, Eperan PP), modified silicone polymer (Kaneka MS Polymer), and acrylic sol	AIB–VINCOTTE / BE–91 QMS 028h
Kaneka North America LLC	Ultra-heat-resistant polyimide films (Apical), Modifier resins (Kane Ace and Kaneka Telalloy), heat-resistant vinyl chloride resins, and modified silicone polymers (Kaneka MS Polymer)	BSI / FM72722
Kaneka (Malaysia) Sdn. Bhd.	Modifier resins (Kane Ace)	SIRIM QAS / AR2321
Kaneka Apical Malaysia Sdn. Bhd.	Ultra-heat-resistant polyimide films (Apical) High thermal-conductive graphite sheet (Graphinity)	SIRIM QAS / AR6269 SIRIM QAS / AR6270
Kaneka Eperan Sdn. Bhd.	Bead technique-based polyolefins (Eperan, Eperan PP)	SIRIM QAS / AR2598

Kaneka Paste Polymers Sdn. Bhd.	Vinyl chloride paste resin	SIRIM QAS / AR2321
Kaneka Eperan (Suzhou) Co., Ltd.	Bead technique-based polyolefins (Eperan, Eperan PP)	SGS / CN18/20031
Kaneka (Foshan) High Performance Materials Co., Ltd.	Bead technique-based polyolefins (Eperan, Eperan PP)	Beijing East Allreach certification Center Co., Ltd. / USA16Q27833R0S
Kaneka Innovative Fibers Sdn. Bhd.	Synthetic fibers	SIRIM QAS / AR2321
KSS Vietnam Co., Ltd.	Processed spices, herbs, and dried vegetables	Intertek(UK) / FM541299
Kaneka Eurogentec S.A.	Products and services for research and development in life science	BSI / FS 638601

ISO 13485 Certification of Kaneka and Group Companies (see note 1)

Division or Group Company (SV: Solutions Vehicle)	Main Products	Registry Organization and Number
Medical Devices SV Kaneka Medix Corporation	Lixelle, liposorber, catheters, silascon, and ED coil	TÜV SÜD / Q5 17 04 24736 065
Kaneka Pharma Vietnam Co., Ltd.	Catheters (parts)	TÜV SÜD / Q1N 16 05 84323 006
River Seiko Corporation	Endoscopic instruments	BSI / MD 638600
Kaneka Eurogentec S.A.	<i>In vitro</i> diagnostic oligonucleotides	

Note 1: ISO 13485 is an international standard covering the comprehensive management system requirements for the design and manufacture of medical equipment.

ISO 22000 Certification of Kaneka and Group Companies (see note 2)

Production Unit or Group Company	Main Products	Registry Organization and Number
Takasago Manufacturing Site Pharmaceutical Manufacturing Department	Coenzyme Q10 (Kaneka Q10, Kaneka QH)	SGS / JP10 / 030379
Kaneka Sun Spice Corporation	Spices and secondary processed products incorporating spices	JQA / JQA-FS0123

Note 2: ISO 22000 is an international standard for food safety management systems.

Food Safety System Certification 22000 (FSSC 22000) Certification of Kaneka and Group Companies (see note 3)

Division or Group Company (SV: Solutions Vehicle)	Main Products	Registry Organization and Number
Foods & Agris SV	Margarine, shortening, flour paste, butter cream, edible oils and fats, edible refined oils and fats, concentrated milk products, modified milk, cheese, whipped cream, yeast, fermented milk products, antifreeze protein, antifreeze polysaccharide, and seasoning materials	JQA/JQA-FC0047
Takasago Manufacturing Site Foods Manufacturing Department	Margarine, shortening, edible oils and fats, edible refined oils and fats, whipped cream, concentrated milk products, modified milk, and yeast	JQA / JQA-FC0047-1
Kaneka Foods Manufacturing Corporation	Margarine, flour paste, buttercream, cheese, fermented milk products, antifreeze protein, antifreeze polysaccharide, and seasoning materials	JQA / JQA-FC0047-2
Tokyo Kaneka Foods Manufacturing Corporation	Margarine, shortening, flour paste, buttercream, and whipped cream	JQA / JQA-FC0047-3
Taiyo Yushi Corporation	Margarine, shortening, edible refined oils and fats, edible vegetable oils and fats, refined lard, other edible oils and fats, processed fats, and dairy products (butter)	JQA / JQA-FC0044
Nagashima Shokuhin Co., Ltd.	Frozen dough (pies and confectionery)	JQA / JQA-FC109

Note 3: FSSC22000 is a sector for food safety management system, which based on the ISO 22000 with the addition of ISO/TS 22002-1 requirements.

ISO 22716 Certification of Group Companies (see note 4)

Group Company	Main Products	Registry Organization and Number
Taiyo Yushi Corporation	Shampoos, conditioners, body soaps, and hand creams	BVJ / 3889080

Note 4: ISO 22716 is guidelines on the Good Manufacturing Practices (GMP) of cosmetic products.

Job Satisfaction / Diversity

* The data is for Kaneka alone. If other data is included, an annotation has been added.

■ Human Rights Education

Program Name	Content	Fiscal 2015 No. of participants	Fiscal 2016 No. of participants	Fiscal 2017 No. of participants
Training sessions for new employees	Training concerning sexual harassment, power harassment, and discrimination based on nationality, and other issues	132	148	137
New managers training	Human rights education session with external experts	45	45	46

■ Implementation of Career Development and Life Design Support Activities

Program Name	Fiscal 2015 No. of participants (No. of training sessions)	Fiscal 2016 No. of participants (No. of training sessions)	Fiscal 2017 No. of participants (No. of training sessions)
Career-design training	301	230	382
Life-design training	255 (18)	172 (15)	63 (7)

■ Global Human Resource Development

Program Name	Content	Fiscal 2015 No. of participants	Fiscal 2016 No. of participants	Fiscal 2017 No. of participants
Global Employee Development Program	Practical acquisition of foreign language for communication	(Registrants) 2,122	(Registrants) 2,021	(Registrants) 2,215
English and Chinese language trainings	Acquisition of languages required for overseas business	121	89	55
Overseas Trainee Dispatch Program	One-year work experience at a group company outside Japan	15	17	12

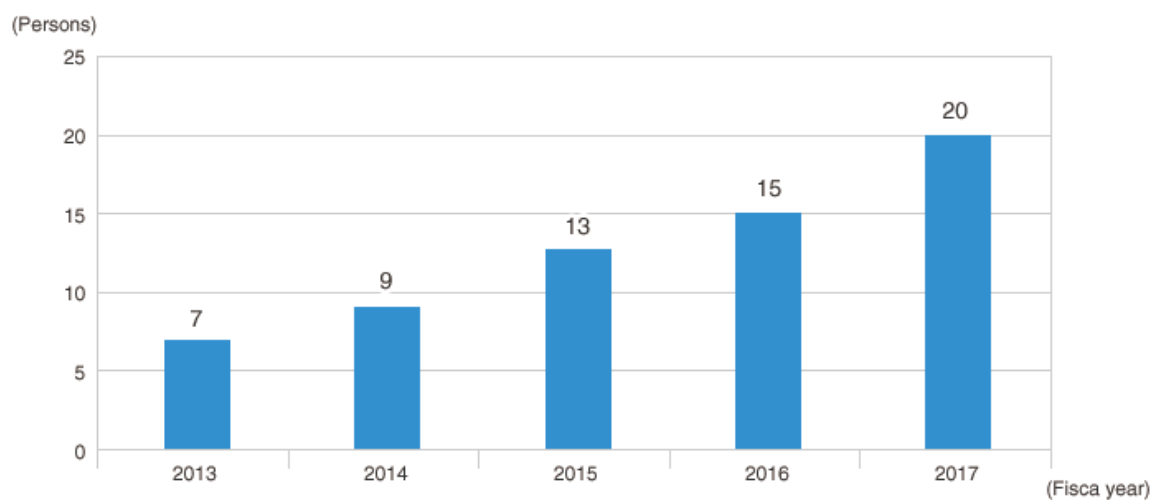
In addition to the above, we provide various other programs/systems, including the overseas language study program and the language training before overseas transfer.

■ Development of Leaders

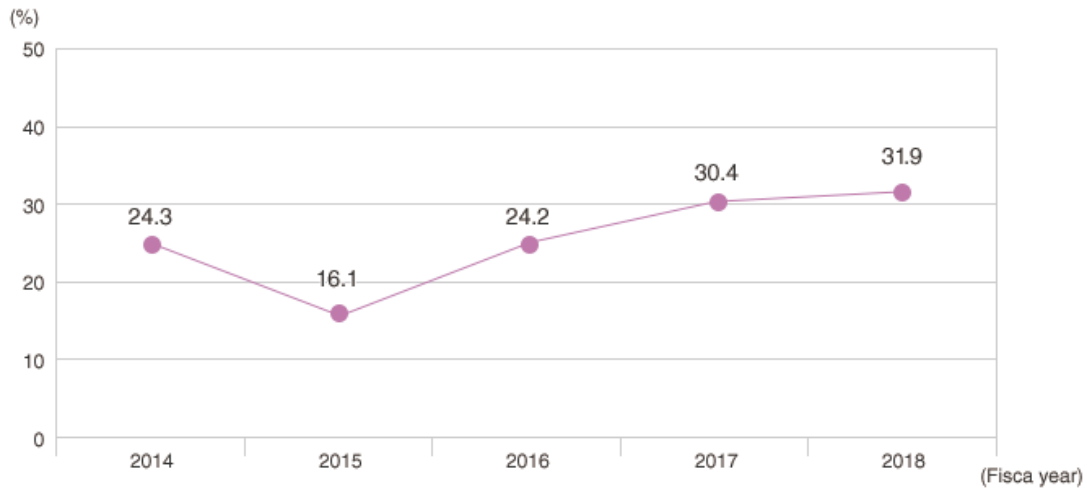
Program Name	Content	Fiscal 2015	Fiscal 2016	Fiscal 2017
		No. of participants	No. of participants	No. of participants
Hitotsubu-no Tane Momi Juku	Lectures and exercises by the top management and first-class instructing staff targeted at future leaders and management personnel	—	13	12
Kaneka Creative Corner	Lectures and exercises by the top management and first-class instructing staff targeted at future leaders of national staff	—	10	12
The Leadership Challenge Workshop	Acquiring and practicing leadership skills and follow-up	112 (outside Japan)	102 (outside Japan)	24 (outside Japan)
		158 (in Japan)	197 (in Japan)	236 (in Japan)

* Aggregated data for Kaneka and group companies in and outside Japan

■ Change in the Number of Female Executives



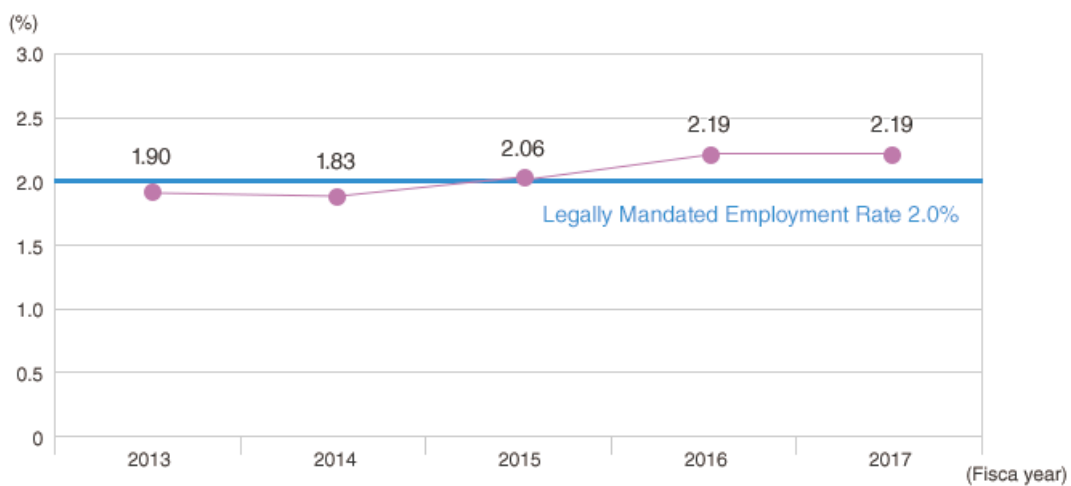
■ Ratio of Women Hired



■ Changes in New Hires Who Come from Countries Other than Japan (New Graduates)

Year Hired	Technical Staff	Clerical Staff	Total
2014	4	2	6
2015	2	2	4
2016	5	2	7
2017	3	1	4
2018	0	1	1

■ Changes in Rate of Employment of Persons with Disabilities



■ Number of Users

Name of Program	Term and Period	Fiscal 2015	Fiscal 2016	Fiscal 2017
Childcare leave	By the day before the child becomes 2 years and 6 months old	(male)2	(male)3	(male)2
		(female)42	(female)37	(female)44
Child nursing care leave	By the beginning of a semester for a child in the 4th grade (5 days per year per person) maximum of 10 days per year for an employee with two or more children)	(male)33	(male)46	(male)60
		(female)55	(female)60	(female)62
Shorter work–hours program	By the beginning of a semester for child in 7th grade (maximum of 2 hours per day per person)	(male)1	(male)1	(male)0
		(female)50	(female)41	(female)48
Babysitting Expenses Aid System	Company covers part of babysitting expenses for a child ages 0 to 2	22	29	26

Nursing care leave	1 year or less for one eligible family member	1	1	2
Telecommuting	Employees in pregnancy, child–rearing (by the beginning of a semester for child in 7th grade) or nursing care can work at home (4 days per month)	8	18	21
Leave of Absence for Spouse's Overseas Transfer System	A maximum of 3 years from the day when the employee's spouse is transferred abroad	1	1	1