

May 29, 2023 Toyo Styrene Co., Ltd.

Improprieties Related to Toyo Styrene's Products

Toyo Styrene Co., Ltd. (headquarters: Minato-ku, Tokyo; President: Kenjiro Ishizuka; hereinafter "Toyo Styrene") has identified improprieties related to certain resin products that it sells certified by Underwriters Laboratories Limited Liability Company ("UL"), a U.S.-based independent safety science organization ("Improprieties 1"). It has also identified improprieties related to the CMJ Registration System, a components and materials registration system established under the Electrical Appliances and Materials Safety Act of Japan ("Improprieties 2"). The details of these improprieties are described below.

Toyo Styrene deeply apologizes to customers and all those concerned for the considerable inconvenience this matter has caused.

Toyo Styrene has reported Improprieties 1 to UL Japan, Inc. and reported Improprieties 2 to Japan Electrical Safety & Environment Technology Laboratories ("JET") and will explain the Improprieties to those concerned individually. In addition to this, Toyo Styrene will naturally correct the Improprieties and take determined steps to improve quality assurance for its products.

Responding to the identified Improprieties, Denka Company Limited, which is Toyo Styrene's largest shareholder, decided on May 29, 2023, to establish an external investigation committee consisting of outside experts. Toyo Styrene will fully cooperate with the external investigation committee's investigation and will thoroughly investigate the Improprieties, determine their causes, and formulate measures to prevent any recurrence.

Toyo Styrene has always believed in the importance of compliance. Having identified the Improprieties, the company will strengthen compliance and work to prevent any recurrence. Toyo Styrene is committed to restoring the trust of all concerned.

- 1. Overview of improprieties
- (1) Improprieties 1
- (i) Description
 - Toyo Styrene changed the composition of certain products from the registered composition which affected the resin flammability grade according to the UL 94 standard. Toyo Styrene manufactured and sold these products without filing the changes with UL.
 - Toyo Styrene created pieces of resin from materials including more flame retardants than the resin in the designated lot for follow-up flammability testing conducted by UL and provided them to UL.
- (ii) Products found not to be compliant

All product types (15 types) of Toyo Styrene Flame Retardant PS, which is certified by UL (Grades: LX20, NR120C, LH20, F2C, LH30, FX2C, LF21, FP120C, F2, J2, EJ2C, NBW1601, FS100S, ES150, J5)

An internal investigation of Toyo Styrene has revealed that J5 does not meet the flammability standard.

(iii) Date improprieties occurred

Similar improprieties were disclosed by another company last year, and Toyo Styrene conducted an internal investigation to see if it has any similar problems. Toyo Styrene identified the Improprieties 1 in October 2022.

(2) Improprieties 2

(i) Description

To check that electrical appliances (such as air conditioners and refrigerators) meet the technical standards set forth in the Electrical Appliances and Materials Safety Act, the components and materials that the appliances are composed of must be tested.

Manufacturers can streamline testing by using components and materials registered in a registration system for components and materials used in electrical products (CMJ Registration System). Certain products of Toyo Styrene are registered in the CMJ Registration System. It was found in 2019 that Toyo Styrene provided samples that were not from the lots specified by JET, the registration authority, for the ball pressure testing (tests checking the heat resistance temperature of materials used for electrical appliances) conducted by JET.

(ii) Product found to be non-conforming

A Toyo Styrene Flame Retardant product (grade: NBW1601)

(iii) Date improprieties occurred

After the discovery of Improprieties 1, Toyo Styrene checked if it had any other problems. In mid-May 2023, Toyo Styrene identified Improprieties 2.

2. Impact on final products

Toyo Styrene has not received any reports about accidents, etc. related to final products using the Toyo Styrene products involved in the Improprieties. Nevertheless, Toyo Styrene will continue to examine the safety and performance of the final products in cooperation with customers.

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