

Environmental Accounting

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For the purpose of effectively driving forward environmental conservation efforts, Nippon Kayaku is publishing the aggregate costs of conserving the environment incurred during business activities. Our environmental accounting covers the period April 2023 to March 2024, and follows the Ministry of the Environment's Environmental Accounting Guidelines (2005) and the Japan Chemical Industry Association's Environmental Accounting Guidelines for Chemical Companies. Investment values are aggregated from capital investments connected to environmental conservation during the accounting period, while total costs are based on those connected to maintaining and administering equipment and facilities, human resources, and depreciation.

◆ Environmental Accounting

Environmental Protection Cost for FY2023

Points		Covering	Unit	Invested amount	Cost	Contents
I. Internal costs per business area		Non-Consolidated	million yen	795	1,324	Environmental protection costs to limiting the environmental burdens emanating from production and service activities within business areas
Breakdown	① Pollution control costs	Non-Consolidated	million yen	(366)	(298)	Air pollution, water pollution control, underseepage prevention, investments and costs associated with soundproofing and vibration-proofing
	② Costs for protecting the Earth's environment	Non-Consolidated	million yen	(426)	(88)	Energy saving, costs associated with installing and maintaining equipment used to combat global warming
	③ Resource recycling costs	Non-Consolidated	million yen	(3)	(579)	Resource conservation, recycling, costs associated with appropriate treatment of industrial waste
	④ Others	Non-Consolidated	million yen	(0)	(360)	Levies imposed on pollution loads
II. Upstream/downstream costs		Non-Consolidated	million yen	0	80	Costs associated with limiting the environmental burdens emanating from upstream and downstream production and service activities
III. Management activity costs		Non-Consolidated	million yen	3	252	Inspection costs for updating and maintaining our ISO14001 certification, environmental burden monitoring, information disclosure, education and training, tree-planting
IV. R&D costs		Non-Consolidated	million yen	0	86	Costs linked to R&D with environmentally-conscious themes and product development
V. Social activity costs		Non-Consolidated	million yen	0	10	Staging site observation visits, financial contributions to regional activities, association membership fees
VI. Costs for responding to environmental damage		Non-Consolidated	million yen	0	0	Costs associated with restoration of natural environments
Total		Non-Consolidated	million yen	798	1,752	

◆ Economic Benefits from Environmental Protection Measures

Economic Benefits from Environmental Protection Measures in FY2023

Tangible benefit points		Covering	Unit	Economic benefits	Main Contents
Internal benefits per business area	Pollution control benefits	Non-Consolidated	million yen	0.3	Renewal of detoxifying towers, waste liquid pit level sensors, dehydrators
	Benefits from protecting the Earth's environment	Non-Consolidated	million yen	109.3	Installation of solar equipment (PPA), renewal of transformers, adoption of energy-saving devices (LED lighting, high-efficiency pumps, electric motors etc.), renewal of boilers, less leakage from steam traps, replacement of air conditioning devices and light fittings with high-efficiency models
	Resource recycling benefits	Non-Consolidated	million yen	90.1	Recovery and reuse of solutions, scrap iron; resale of used drum cans Benefits from recycling junk metal and plastic waste
Upstream/downstream benefits		Non-Consolidated	million yen	38.8	Rinsing and reuse of SUS drums and polydrums etc.
Others		Non-Consolidated	million yen	0.0	Tree-planting
Total		Non-Consolidated	million yen	238.5	

Investments in the Environment, Safety and Health

At Nippon Kayaku, we systematically and continually make capital investments related to the environment, safety and health. FY2023 saw our environmentally-related capital investments reach 794.7 million yen, and our safety and health capital investments rise to 856.1 million yen.

Environment-related Capital Investments

Category	Covering	Unit	2019	2020	2021	2022	2023
Air pollution prevention equipment	Non-consolidated	Million yen	40.2	20.9	37.1	68.1	40.5
Water pollution prevention equipment	Non-consolidated	Million yen	70.5	109.7	266.9	206.7	304.5
Underground seepage prevention equipment	Non-consolidated	Million yen	13.4	5.5	4.9	7.2	5.0
Noise and vibration prevention equipment	Non-consolidated	Million yen	2.4	17.2	6.0	6.0	16.1
Industrial waste processing equipment	Non-consolidated	Million yen	30.9	106.6	111.2	5.1	2.9
Plant greening	Non-consolidated	Million yen	1.0	1.8	0.5	3.3	0.0
Energy conservation and global warming prevention equipment	Non-consolidated	Million yen	40.3	172.6	244.6	236.6	425.6
Total	Non-consolidated	Million yen	198.7	434.3	671.3	533.0	794.7

Safety- & Health-related Capital Investments

Category	Covering	Unit	2019	2020	2021	2022	2023
Equipment aging measures	Non-consolidated	Million yen	469.0	292.9	490.9	245.0	454.9
Safety and work environment measures	Non-consolidated	Million yen	165.3	171.4	171.4	86.6	281.6
Explosion, fire and leakage measures	Non-consolidated	Million yen	39.4	9.2	14.1	60.6	54.4
Earthquake and other natural disasters measures	Non-consolidated	Million yen	2.6	51.4	4.4	6.5	65.2
Other	Non-consolidated	Million yen	4.0	4.5	6.4	32.0	0.0
Total	Non-consolidated	Million yen	680.3	529.4	687.1	430.7	856.1