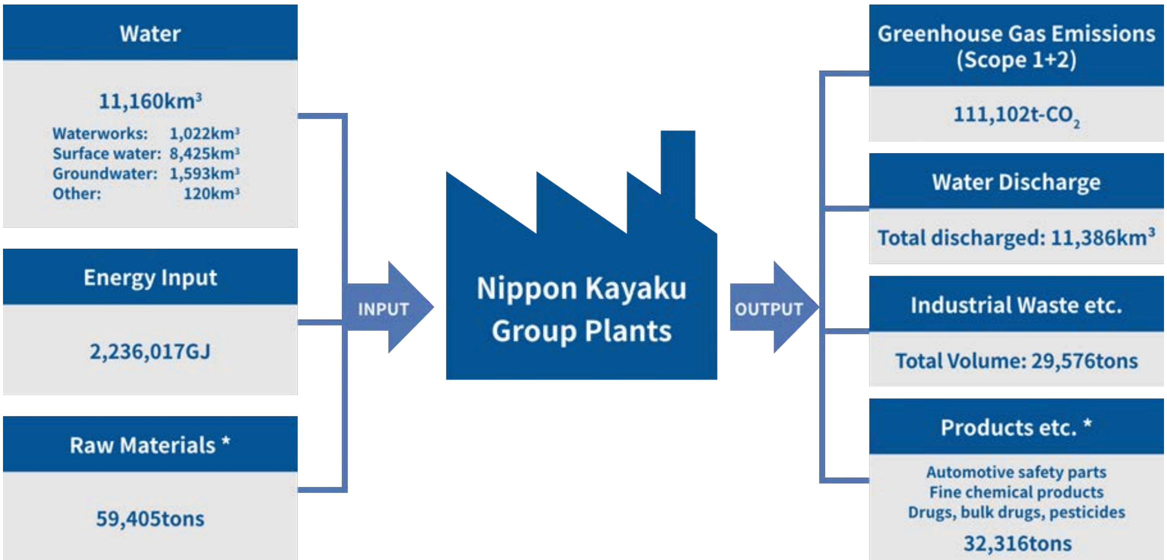
# Environment

## Material Flow

### ◆ Material Flow of Business Activities (FY2024)




Items listed below without additional notes represent combined domestic and overseas values.

* Nippon Kayaku alone

### ◆ Amounts of Raw Materials Used

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Principal raw materials | non-consolidated | tons | 36,614 | 47,583 | 44,211 | 40,707 | 42,073 |
| Auxiliary materials | non-consolidated | tons | 16,581 | 18,529 | 17,026 | 12,512 | 16,189 |
| Plastic packaging materials | non-consolidated | tons | 194 | 266 | 389 | 180 | 299 |
| Cardboard packaging materials | non-consolidated | tons | 415 | 529 | 480 | 395 | 432 |
| Other packaging materials | non-consolidated | tons | 461 | 489 | 470 | 434 | 413 |
| Total | non-consolidated | tons | 54,266 | 67,396 | 62,576 | 54,227 | 59,405 |

* Products not included (goods stocked at plants)

### ◆ Energy Input Amounts

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Amount of energy input (heat quantity equivalent) | consolidated | GJ | - | - | - | 2,062,745 | 2,236,017 |
| Renewable energy | consolidated | GJ | - | - | - | 29,060 | 37,035 |
| Non-renewable energy sources | consolidated | GJ | - | - | - | 2,033,685 | 2,198,982 |

* When converting electricity amounts into heat amounts for fuel, heat and electricity consumed in domestic and overseas business activities, electricity purchased from electricity companies is converted at 1MWh to 8.64GJ, while renewable energy such as solar power is converted at 1MWh to 3.6GJ.

## Greenhouse Gas Emissions

### ◆ Scope1・Scope2（consolidated）

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Energy-derived $CO_2$ | consolidated | t-$CO_2$e | 114,281 | 108,410 | 103,811 | 99,124 | 107,248 |
| Non-energy-derived $CO_2$ | consolidated | t-$CO_2$e | 2,771 | 3,230 | 2,745 | 2,463 | 2,023 |
| $N_2O$ | consolidated | t-$CO_2$e | 123 | 112 | 169 | 339 | 449 |
| $CH_4$ | consolidated | t-$CO_2$e | 26 | 29 | 30 | 34 | 34 |
| HFCs | consolidated | t-$CO_2$e | 16 | 7 | 138 | 113 | 19 |
| Other CFCs | consolidated | t-$CO_2$e | 1,011 | 794 | 1,409 | 632 | 1,330 |
| PFCs | consolidated | t-$CO_2$e | 0 | 0 | 0 | 0 | 0 |
| $SF_6$ | consolidated | t-$CO_2$e | 0 | 0 | 0 | 0 | 0 |
| $NF_3$ | consolidated | t-$CO_2$e | 0 | 0 | 0 | 0 | 0 |
| Total*1 | consolidated | t-$CO_2$e | 118,227 | 112,584 | 108,301 | 102,705 | 111,102 |
| Scope1 | consolidated | t-$CO_2$e | 35,613 | 37,819 | 35,581 | 30,158 | 32,521 |
| Scope2 (Market base) | consolidated | t-$CO_2$e | 82,615 | 74,765 | 72,720 | 72,546 | 78,581 |
| Emission volume per unit of sales*2 | consolidated | | 0.68 | 0.61 | 0.55 | 0.51 | 0.5 |

*1 As figures have been rounded off, the totals in some columns do not exactly match the sum of each item above.

*2 Emissions amounts (t-$CO_2$e) / consolidated sales figures (million yen)

### ◆ Scope1・Scope2（non-consolidated）

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Energy-derived $CO_2$ | non-consolidated | t-$CO_2$e | 71,632 | 63,168 | 62,267 | 57,748 | 63,228 |
| Non-energy-derived $CO_2$ | non-consolidated | t-$CO_2$e | 2,733 | 3,189 | 2,719 | 2,406 | 1,984 |
| $N_2O$ | non-consolidated | t-$CO_2$e | 123 | 112 | 169 | 339 | 449 |
| $CH_4$ | non-consolidated | t-$CO_2$e | 26 | 29 | 30 | 34 | 34 |
| HFCs | non-consolidated | t-$CO_2$e | 12 | 3 | 110 | 49 | 0 |
| Other CFCs | non-consolidated | t-$CO_2$e | 34 | 336 | 622 | 70 | 70 |
| PFCs | non-consolidated | t-$CO_2$e | 0 | 0 | 0 | 0 | 0 |
| $SF_6$ | non-consolidated | t-$CO_2$e | 0 | 0 | 0 | 0 | 0 |
| $NF_3$ | non-consolidated | t-$CO_2$e | 0 | 0 | 0 | 0 | 0 |
| Total*1 | non-consolidated | t-$CO_2$e | 74,559 | 66,839 | 65,916 | 60,647 | 65,765 |

*1 As figures have been rounded off, the totals in some columns do not exactly match the sum of each item above.

## ◆ Scope3

| Category | | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| 1 | **Products and services purchased** | consolidated | t-$CO_2$e | 237,300 | 294,500 | 275,000 | 241,800 | 259,600 |
| 2 | **Capital goods** | consolidated | t-$CO_2$e | 42,900 | 26,800 | 29,600 | 33,400 | 55,900 |
| 3 | **Fuels and energy-related activities not included in Scope 1 and 2** | consolidated | t-$CO_2$e | 21,200 | 22,300 | 21,000 | 20,500 | 22,700 |
| 4 | **Exports and distribution (upstream)** | consolidated | t-$CO_2$e | 17,600 | 22,300 | 19,700 | 16,600 | 18,000 |
| 5 | **Business waste produced** | consolidated | t-$CO_2$e | 28,800 | 31,800 | 16,200 | 10,800 | 14,700 |
| 6 | **Business trips** | consolidated | t-$CO_2$e | 800 | 800 | 800 | 800 | 800 |
| 7 | **Employee commutes** | consolidated | t-$CO_2$e | 2,400 | 2,400 | 2,400 | 2,400 | 2,500 |
| 8 | **Leased assets (upstream)** | consolidated | t-$CO_2$e | Included in Scope 1, 2, therefore not separately calculated | | | | |
| 9 | **Exports and deliveries (downstream)** | consolidated | t-$CO_2$e | 1,000 | 1,600 | 1,500 | 1,200 | 1,400 |
| 10/11 | **Processing of sold goods andUse of sold goods** | consolidated | t-$CO_2$e | - | - | - | - | - |
| 12 | **Disposal of sold goods** | consolidated | t-$CO_2$e | 23,200 | 26,400 | 23,000 | 17,600 | 17,300 |
| 13 | **Leased assets (downstream)** | consolidated | t-$CO_2$e | 400 | 400 | 400 | 400 | 400 |
| 14/15 | **Franchise and Investments** | consolidated | t-$CO_2$e | - | - | - | - | - |
| Total*1 | | consolidated | t-$CO_2$e | 375,600 | 429,300 | 389,600 | 345,000 | 393,300 |

*1 As figures have been rounded off, the totals in some columns do not exactly match the sum of each item above.

Calculation Method: As a general rule, $CO_2$ emission amounts are calculated with reference to emission factors published in the “Basic Guidelines for Supply Chain Greenhouse Gas Emission Calculations” provided by ministries of Environment and Economy, Trade and Industry, as well as by the IDEA Lab Safe Science Research Section of the National Institute of Advanced Industrial Science and Technology.

## Energy Consumed

### ◆ Energy Consumed (Crude oil equivalent)

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Production, R&D and office departments | non-consolidated | 1,000kL | 38,700 | 40,325 | 38,583 | 32,634 | 35,646 |

### ◆ Energy Consumed

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Non-renewable fuels purchased and consumed (A) (Nuclear energy, coal, oil, natural gas etc.) | non-consolidated | MWh | 155,201 | 165,494 | 153,390 | 137,447 | 149,994 |
| Non-renewable electricity purchased (B) | non-consolidated | MWh | 95,819 | 98,505 | 95,837 | 85,946 | 93,436 |
| Non-renewable energy purchased (steam, heat, cooling, and others) (C) | non-consolidated | MWh | 3,452 | 3,433 | 4,073 | 5,685 | 5,340 |
| Renewable energy purchased and created (D) (Wind power, solar power, biomass, hydro-power, geothermal energy etc.) | non-consolidated | MWh | 59 | 57 | 162 | 2,028 | 3,163 |
| Non-renewable energy sold (E) (electricity, thermal, cooling) | non-consolidated | MWh | 0 | 0 | 0 | 0 | 413 |
| Total non-renewable energy used (A+B+C-E) * | non-consolidated | MWh | 254,472 | 267,432 | 253,300 | 229,078 | 248,357 |

* As figures have been rounded off, the totals in some columns do not exactly match the sum of each item above.

## Industrial waste and Pollutants

### ◆ Waste

| Indicators | | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| Non-hazardous waste | | non-consolidated | tons | 19,411 | 22,069 | 21,154 | 16,146 | 22,387 |
| | | Group companies | tons | 996 | 1,199 | 1,242 | 1,087 | 1,271 |
| | | **Total** | **tons** | **20,407** | **23,268** | **22,396** | **17,233** | **23,658** |
| | General waste | non-consolidated | tons | 643 | 673 | 648 | 464 | 410 |
| | | Group companies | tons | 504 | 449 | 559 | 513 | 571 |
| | | **Total** | **tons** | **1,147** | **1,122** | **1,207** | **977** | **981** |
| | Industrial waste | non-consolidated | tons | 18,768 | 21,396 | 20,506 | 15,682 | 21,977 |
| | | Group companies | tons | 493 | 750 | 682 | 574 | 700 |
| | | **Total** | **tons** | **19,261** | **22,146** | **21,188** | **16,256** | **22,677** |
| Hazardous waste | | non-consolidated | tons | 5,925 | 6,503 | 6,467 | 4,828 | 5,838 |
| | | Group companies | tons | 92 | 86 | 71 | 59 | 80 |
| | | **Total** | **tons** | **6,017** | **6,589** | **6,538** | **4,887** | **5,918** |
| | Source-specific hazardous industrial waste | non-consolidated | tons | 221 | 146 | 182 | 182 | 355 |
| | | Group companies | tons | 0 | 0 | 0 | 0 | 0 |
| | | **Total** | **tons** | **221** | **146** | **182** | **182** | **355** |
| Total[*1] | | | tons | 26,426 | 29,857 | 28,934 | 22,119 | 29,576 |

| Indicators | | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| Types of waste | Sludge | non-consolidated | tons | 1,979 | 2,309 | 2,338 | 2,291 | 2,100 |
| | | Group companies | tons | 131 | 336 | 258 | 115 | 286 |
| | | **Total** | **tons** | **2,110** | **2,645** | **2,596** | **2,406** | **2,386** |
| | Waste oil | non-consolidated | tons | 5,766 | 6,386 | 5,848 | 4,809 | 4,563 |
| | | Group companies | tons | 94 | 87 | 71 | 59 | 72 |
| | | **Total** | **tons** | **5,860** | **6,473** | **5,919** | **4,868** | **4,635** |
| | Spent acid | non-consolidated | tons | 2,244 | 2,185 | 1,523 | 1,116 | 1,321 |
| | | Group companies | tons | 3 | 2 | 8 | 13 | 18 |
| | | **Total** | **tons** | **2,247** | **2,187** | **1,531** | **1,129** | **1,339** |
| | Waste alkali | non-consolidated | tons | 13,382 | 15,784 | 16,064 | 11,219 | 17,717 |
| | | Group companies | tons | 17 | 11 | 11 | 8 | 9 |
| | | **Total** | **tons** | **13,399** | **15,795** | **16,075** | **11,227** | **17,726** |
| | Plastic waste | non-consolidated | tons | 954 | 888 | 885 | 788 | 780 |
| | | Group companies | tons | 235 | 277 | 326 | 326 | 294 |
| | | **Total** | **tons** | **1,189** | **1,165** | **1,211** | **1,114** | **1,074** |
| | Others | non-consolidated | tons | 1,010 | 1,021 | 962 | 751 | 1,744 |
| | | Group companies | tons | 609 | 572 | 640 | 624 | 672 |
| | | **Total** | **tons** | **1,619** | **1,593** | **1,602** | **1,375** | **2,416** |
| Landfill amount | | non-consolidated | tons | 404 | 298 | 233 | 144 | 170 |
| Recycling rates*2 | | non-consolidated | % | 81 | 82 | 87 | 84 | 87 |
| Zero-emissions rates | | non-consolidated | % | 1.6 | 1 | 0.8 | 0.7 | 0.6 |

*1 As figures have been rounded off, the totals in some columns do not exactly match the sum of each item above.

*2 Includes recovered and reused solvent

## ◆ PRTR substances

| Indicators | | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024*2 |
|---|---|---|---|---|---|---|---|---|
| PRTR substance emission amounts | Air | non-consolidated | tons | 16.8 | 25.2 | 38.7 | 32.9 | 27.2 |
| | Water regions | non-consolidated | tons | 9.1 | 14.7 | 51.4 | 75.0 | 1.6 |
| | Soil | non-consolidated | tons | 0 | 0 | 0 | 0 | 0 |
| | **Total*1** | **non-consolidated** | **tons** | **25.9** | **39.9** | **90.1** | **107.9** | **28.8** |

*1 As figures have been rounded off, the totals in some columns do not exactly match the sum of each item above.

*2 Since FY2024, only PRTR substances have been published（FY2023 revisions to the law saw changes to the list of substances, with Japan Chemical Industry Association Survey substances excluded）

## Air Emissions

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| **Volatile Organic Compounds (VOC)** | non-consolidated | tons | 33.3 | 52.1 | 38.7 | 32.9 | 60.3 |
| **Dichloromethane** | non-consolidated | tons | 4.0 | 3.6 | 3.2 | 2.7 | 4.9 |
| **Formaldehyde** | non-consolidated | tons | 0.04 | 0.15 | 0.13 | 0.13 | 0.04 |
| **NOx[*1]** | non-consolidated | tons | 7.5 | 7.7 | 8.3 | 6.7 | 3.9 |
| | Group companies | tons | - | - | - | - | 0.4 |
| | **Total** | **tons** | **-** | **-** | **-** | **-** | **4.3** |
| **SOx[*2]** | non-consolidated | tons | 1.0 | 0.7 | 0.9 | 0.8 | 0.42 |
| | Group companies | tons | - | - | - | - | 0.01 |
| | **Total** | **tons** | **-** | **-** | **-** | **-** | **0.43** |
| **Particulate matter[*3]** | non-consolidated | tons | 0.5 | 0.5 | 0.4 | 0.2 | 0.3 |
| | Group companies | tons | - | - | - | - | 6.4 |
| | **Total** | **tons** | **-** | **-** | **-** | **-** | **6.7** |

*1 NOx (Nitrogen Oxides: Produced when a substance combusts and reacts with nitrogen in the atmosphere, or when fuels or substances containing nitrogen compounds, such as coal, combust.) They not only cause air pollution such as photochemical smog and acid rain, but have detrimental effects on human respiratory organs.

*2 SOx (Sulfur oxides): Produced through the combustion of fossil fuels with sulfur content. Their reactions with moisture in the atmosphere produce sulfuric acid and sulfurous acid, making them a cause of both air pollution and acid rain.

*3 Particulate Matter: The solid particles (soot) of the soot and smoke produced by fossil fuel combustion are a cause of air pollution and also pneumoconiosis in people who inhale them in high concentrations.

## Wastewater Management

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| **COD** | consolidated | tons | 218.8 | 223.6 | 243 | 274 | 261 |
| **Total phosphorus** | consolidated | tons | 3.2 | 11.2 | 7.1 | 18.5 | 1.69 |
| **Total nitrogen** | consolidated | tons | 83.2 | 73.5 | 114.0 | 68.5 | 89.4 |
| **SS[*]** | consolidated | tons | 48.4 | 49.9 | 49.2 | 44.6 | 54.7 |

* SS - Suspended solids: Refers to particulate matter of 2mm diameter or less either floating or suspended in water, including fine particles from minerals, plant and animal plankton or the carcasses of such, sewage, organic matter and metal sediments originating from plant wastewater. If present in large amounts, suspended solids can negatively affect water transparency and appearance, and – through impeding light-ray penetration – underwater photosynthesis as well

## Water

### ◆ Use of Water Resources (Consolidated)

| Indicators | | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| Amount of water taken | Waterworks | consolidated | thousand m$^3$ | 763 | 805 | 755 | 566 | 1,022 |
| | Surface water (industrial water) | consolidated | thousand m$^3$ | 7,874 | 8,098 | 7,952 | 7,863 | 8,425 |
| | Groundwater (well water) | consolidated | thousand m$^3$ | 1,918 | 1,946 | 1,836 | 1,847 | 1,593 |
| | Others (reservoirs, rainwater storage) | consolidated | thousand m$^3$ | 200 | 343 | 265 | 205 | 120 |
| | **Total[*1]** | **consolidated** | **thousand m$^3$** | **10,755** | **11,192** | **10,808** | **10,481** | **11,160** |
| | From water-stressed regions[*2] | consolidated | thousand m$^3$ | 23 | 33 | 29 | 28 | 103 |
| Amount of water discharged[*3] | Sea areas | consolidated | thousand m$^3$ | 7,014 | 7,142 | 6,726 | 6,966 | 7,905 |
| | Rivers | consolidated | thousand m$^3$ | 2,400 | 2,410 | 2,351 | 2,443 | 2,195 |
| | Sewers | consolidated | thousand m$^3$ | 974 | 987 | 910 | 1,045 | 1,287 |
| | **Total[*1]** | **consolidated** | **thousand m$^3$** | **10,388** | **10,539** | **9,987** | **10,454** | **11,386** |
| Amount of water recycled | | consolidated | thousand m$^3$ | 0 | 0 | 0 | 0 | 0 |
| Recycling rates | | consolidated | % | 0 | 0 | 0 | 0 | 0 |

*1 As figures have been rounded off, the totals in some columns do not exactly match the sum of each item above.

*2 Using the Aqueduct Water Risk Atlas of water-stress levels, we have confirmed that all our business bases are located in areas of Level 3 water stress or below.

*3 *Water of equal or higher quality is returned to the intake source

### ◆ Water Resource Use (non-consolidated)

| Indicators | | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| Amount of water taken | Waterworks | non-consolidated | thousand m$^3$ | 390 | 381 | 377 | 320 | 499 |
| | Surface water (industrial water) | non-consolidated | thousand m$^3$ | 7,874 | 8,098 | 7,953 | 7,863 | 8,425 |
| | Groundwater (well water) | non-consolidated | thousand m$^3$ | 1,828 | 1,848 | 1,769 | 1,804 | 1,554 |
| | Others (reservoirs, rainwater storage) | non-consolidated | thousand m$^3$ | 0 | 0 | 17 | 28 | 30 |
| | **Total[*1]** | **non-consolidated** | **thousand m$^3$** | **10,092** | **10,327** | **10,116** | **10,015** | **10,508** |
| | From water-stressed regions[*2] | non-consolidated | thousand m$^3$ | 0 | 0 | 0 | 0 | 0 |
| Amount of water discharged[*3] | Sea areas | non-consolidated | thousand m$^3$ | 7,014 | 7,142 | 6,726 | 6,966 | 7,905 |
| | Rivers | non-consolidated | thousand m$^3$ | 2,395 | 2,408 | 2,350 | 2,441 | 2,192 |
| | Sewers | non-consolidated | thousand m$^3$ | 511 | 460 | 531 | 679 | 710 |
| | **Total[*1]** | **non-consolidated** | **thousand m$^3$** | **9,919** | **10,011** | **9,607** | **10,086** | **10,807** |
| Amount of water recycled | | non-consolidated | thousand m$^3$ | 0 | 0 | 0 | 0 | 0 |
| Recycling rates | | non-consolidated | % | 0 | 0 | 0 | 0 | 0 |

*1 As figures have been rounded off, the totals in some columns do not exactly match the sum of each item above.

*2 Using the Aqueduct Water Risk Atlas of water-stress levels, we have confirmed that all our business bases are located in areas of Level 3 water stress or below. Water-stress categories have changed from FY2024.

*3 Water of equal or higher quality is returned to the intake source

### ◆ Water-stress Investigation Results for Nippon Kayaku Group Manufacturing and R&D sites (FY2024)[*1]

| Region or Country Name | | Unit | Water amounts used at each water stress | | | | |
|---|---|---|---|---|---|---|---|
| | | | High | Medium-high | Medium | Low-medium | Low |
| Asia | Japan | thousand m$^3$ (Number of bases) | 0 | 1,600 (2) | 17 (3) | 8,891 (5) | 0 |
| | China | thousand m$^3$ (Number of bases) | 18 (1) | 477 (3) | 0 | 0 | 0 |
| | Malaysia | thousand m$^3$ (Number of bases) | 0 | 0 | 0 | 0 | 48 (1) |
| Europe | Czech Republic | thousand m$^3$ (Number of bases) | 0 | 20 (1) | 0 | 0 | 0 |
| | Netherlands | thousand m$^3$ (Number of bases) | 0 | 0 | 0 | 0 | 3 (1) |
| | UK | thousand m$^3$ (Number of bases) | 1 (1) | 0 | 0 | 0 | 0 |
| North and Central America | America | thousand m$^3$ (Number of bases) | 75(1) | 0 | 0 | 1 (1) | 0 |
| | Mexico | thousand m$^3$ (Number of bases) | 9 (1) | 0 | 0 | 0 | 0 |
| **Total[*2]** | | **thousand m$^3$ (Number of bases)** | **103 (4)** | **2,097 (6)** | **17 (3)** | **8,891 (6)** | **52 (2)** |

*1 We are currently using the Aqueduct Water Risk Atlas to investigate these points.

*2 As figures have been rounded off, the totals in some columns do not eaxctly match the sum of each item above.

## Environmental Accounting

### ◆ Environmental Conservation Costs

| Breakdown | | | Covering | Unit | 2020 | | 2021 | | 2022 | | 2023 | | 2024 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Invested amount | Costs | Invested amount | Costs | Invested amount | Costs | Invested amount | Costs | Invested amount | Costs |
| Inside business areas | Environmental pollution prevention | Air pollution prevention | non-consolidated | million yen | 20.9 | 97 | 37.1 | 124.2 | 68.1 | 141.9 | 40.5 | 103.4 | 210.4 | 93.1 |
| | | Water pollution prevention | non-consolidated | million yen | 109.7 | 174.8 | 266.9 | 178.9 | 206.7 | 186 | 0 | 186.3 | 90.2 | 165 |
| | | Underseepage prevention | non-consolidated | million yen | 5.5 | 3.7 | 4.9 | 5.6 | 7.2 | 5.1 | 5 | 8.3 | 3 | 9.2 |
| | | Prevention of noise pollution and vibrations | non-consolidated | million yen | 17.2 | 6.2 | 6 | 0 | 6 | 0 | 16.1 | 0.1 | 0 | 0.1 |
| | | Others | non-consolidated | million yen | - | 435 | - | 394.7 | - | 7 | - | 6.4 | 0 | 6.2 |
| | Global environmental conservation | | non-consolidated | million yen | 172.6 | 100.4 | 244.6 | 92.3 | 236.6 | 63.5 | 425.6 | 87.7 | 320.7 | 123.8 |
| | Resource recycling | | non-consolidated | million yen | 106.6 | 709.8 | 111.2 | 772.2 | 5.1 | 805.9 | 2.9 | 578.6 | 0 | 789.1 |
| Upstream and downstream | Commissioning of container and package recycling | | non-consolidated | million yen | - | 0.4 | - | 0.3 | - | 0.3 | - | 0.4 | - | 0.3 |
| | Sewage treatment expenses | | non-consolidated | million yen | - | 78.7 | - | 75.2 | - | 66.9 | - | 80 | - | 83.4 |
| Management activities | System preparation and operation | | non-consolidated | million yen | - | 105.3 | - | 174.9 | - | 93.3 | - | 85.9 | - | 60.9 |
| | Enviromental burden monitoring | | non-consolidated | million yen | - | 42.5 | - | 38.3 | - | 38.4 | - | 39.9 | - | 31 |
| | Information disclosure | | non-consolidated | million yen | - | 6.3 | - | 6.3 | - | 6.3 | - | 6.3 | - | 6.3 |
| | Education, training and others | | non-consolidated | million yen | - | 59.4 | - | 59.3 | - | 59.6 | - | 60.2 | - | 3.1 |
| | Greening up (tree planting, etc.) | | non-consolidated | million yen | - | 70 | 0.5 | 43.9 | 0 | 70 | 0 | 59.4 | 1 | 74.8 |
| R&D | | | non-consolidated | million yen | - | 57.2 | - | 39.2 | - | 158.3 | - | 85.5 | - | 147.4 |
| Community activities | | | non-consolidated | million yen | - | 8.9 | - | 9 | - | 9.8 | - | 9.8 | - | 10.1 |
| Environmental damage | | | non-consolidated | million yen | - | 0 | - | 0 | - | 0 | - | 0 | - | 0 |
| **Total*** | | | **non-consolidated** | **million yen** | **432.5** | **1,955.5** | **670.8** | **2,014.5** | **529.7** | **2,054** | **490.2** | **1,751.4** | **624.3** | **1,604** |

* As figures have been rounded off, the totals in some columns do not exactly match the sum of each item above.

## Economic Benefits of Environmental Protection Measures

| Items for which we seek to derive benefits | Main economic benefit details | | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|
| Inside business area benefits | Environmental pollution prevention benefits | Air pollution prevention | non-consolidated | million yen | 0 | 0 | 0 | 0 | 0 |
| | | Water pollution prevention | non-consolidated | million yen | 0 | 0 | 3.5 | 0 | 0 |
| | | Reduction of contamination load charges | non-consolidated | million yen | 0.4 | 0.6 | 0.4 | 0.3 | 0.1 |
| | | Prevention of noise pollution and vibrations | non-consolidated | million yen | 0 | 0 | 0 | 0 | 0 |
| | Climate change mitigation measures | Climate change mitigation measures | non-consolidated | million yen | 112.8 | 80.4 | 97.4 | 109.3 | 107.7 |
| | Waste and recycling | Waste reduction | non-consolidated | million yen | 9.5 | 4.1 | 2.6 | 2.2 | 1.1 |
| | | Outside sales of renewable resources | non-consolidated | million yen | 10.5 | 17.3 | 25.9 | 38.2 | 8.8 |
| | | Others | non-consolidated | million yen | 0 | 7 | 40.9 | 49.7 | 87.8 |
| Upstream and downstream benefits | Container recycling | | non-consolidated | million yen | 73.6 | 54.2 | 38.3 | 38.8 | 46.8 |
| Others | | | non-consolidated | million yen | 0 | 0 | 0 | 0 | 0 |
| Total* | | | non-consolidated | million yen | 206.8 | 167.1 | 205.5 | 238.5 | 252.3 |

* As figures have been rounded off, the totals in some columns do not exactly match the sum of each item above.

## Environmentally-related capital investments

| Breakdown | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Air pollution prevention equipment | non-consolidated | million yen | 20.9 | 37.1 | 68.1 | 40.5 | 210.4 |
| Water pollution prevention equipment | non-consolidated | million yen | 109.7 | 266.9 | 206.7 | 304.5 | 90.2 |
| Underseepage prevention equipment | non-consolidated | million yen | 5.5 | 4.9 | 7.2 | 5 | 3 |
| Equipment to prevent noise pollution and vibrations | non-consolidated | million yen | 17.2 | 6 | 6 | 16.1 | 0 |
| Industrial waste processing equipment | non-consolidated | million yen | 106.6 | 111.2 | 5.1 | 2.9 | 0 |
| Greening up plants (through tree-planting, etc.) | non-consolidated | million yen | 1.8 | 0.5 | 3.3 | 0 | 1 |
| Energy saving; Global warming prevention | non-consolidated | million yen | 172.6 | 244.6 | 236.6 | 425.6 | 320.7 |
| Total* | non-consolidated | million yen | 434.3 | 671.3 | 533 | 794.7 | 625.3 |

* As figures have been rounded off, the totals in some columns do not exactly match the sum of each item above.

## Safety and Health-related Equipment Certification

| Breakdown | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Measures against equipment deterioration | non-consolidated | million yen | 292.9 | 490.9 | 245 | 454.9 | 750.6 |
| Safety and work environment measures | non-consolidated | million yen | 171.4 | 171.4 | 86.6 | 281.6 | 108.5 |
| Measures against fires caused by explosion and leaks | non-consolidated | million yen | 9.2 | 14.1 | 60.6 | 54.4 | 16.8 |
| Measures regarding natural disasters such as earthquakes | non-consolidated | million yen | 51.4 | 4.4 | 6.5 | 65.2 | 282.2 |
| Others | non-consolidated | million yen | 4.5 | 6.4 | 32 | 0 | 0 |
| Total* | non-consolidated | million yen | 529.4 | 687.1 | 430.7 | 856.1 | 1158.1 |

* As figures have been rounded off, the totals in some columns do not exactly match the sum of each item above.

## ISO Certification Status

### ISO14001 Certification

| Area | Certification secured | Certifying Institution | Certification Number |
|---|---|---|---|
| Himeji Plant | March 1999 | JIA-QA | JE0054H |
| Joetsu Plant (including the distribution center) | August 2002 | SGS | JP15/071413 |
| Fukuyama Plant | April 1999 | JCQA | JCQA-E-0062 |
| Asa Plant | September 1998 | JCQA | JCQA-E-0987 |
| Tokyo Plant | December 1998 | JCQA | JCQA-E-0036 |
| Takasaki Plant | January 2000 | JCQA | JCQA-E-0101 |
| Kashima Plant | March 1999 | JCQA | JCQA-E-0046 |
| Kayaku Safety Systems Europe | December 2002 | BVCZ | 250302-2017-AE-CZS-RvA |
| Kayaku Safety Systems (Huzhou) | June 2016 | SNQA | 42144 |
| Kayaku Safety Systems de Mexico | June 2023 | LRQA | 00041092 |
| Kayaku Safety Systems Malaysia | April 2017 | SGS | MY17/02395 |
| WUXI POLATECHNO OPTICS | April 2006 | UCC | 02420E31011518R2M |
| KAYAKU CHEMICAL (WUXI) | August 2006 | UCC | 02421E32060755R0M |
| WUXI ADVANCED KAYAKU CHEMICALS | July 2007 | CQC | 00121E33375R4M/3200 |
| Cover rate* | | | 70% |

* The proportion of production facilities with ISO14001 certification owned by either Nippon Kayaku or its consolidated subsidiaries.

* The Nippon Kayaku Co., Ltd. Cover Rate (the proportion of production facilities with ISO14001 certification) stands at 100%

## Violations and accidents

### Cases of Environmentally-related Violations and Accidents

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Number of violations of environmental laws and regulations | consolidated | cases | 0 | 0 | 0 | 0 | 0 |
| Number of environmental accidents | consolidated | cases | 0 | 0 | 0 | 0 | 0 |
| Violations of laws and regulations; fines issued for enrivonmental accidents; punishment costs | consolidated | yen | 0 | 0 | 0 | 0 | 0 |

## Industrial Waste Treatment Facility Operation and Maintenance Status

Industrial Waste Treatment Facility Operation and Maintenance Status（Japanese）

## Social

# Employee Situation

### ◆ Employee Composition

| Indicators | Category | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| Regular employees | Male | consolidated | persons | - | - | 3,883 | 3,991 | 3,992 |
| | Female | consolidated | persons | - | - | 1,797 | 1,832 | 1,850 |
| | Neither / Don't know | consolidated | persons | - | - | - | 2 | 0 |
| | Total | consolidated | persons | - | - | 5,680 | 5,825 | 5,842 |
| | Female rate | consolidated | % | - | - | 31.6 | 31.5 | 31.7 |
| | Male | non-consolidated | persons | 1,751 | 1,754 | 1,748 | 1,770 | 1,774 |
| | Female | non-consolidated | persons | 326 | 330 | 333 | 343 | 352 |
| | Neither / Don't know | non-consolidated | persons | - | - | - | 0 | 0 |
| | Total | non-consolidated | persons | 2,077 | 2,084 | 2,081 | 2,113 | 2,126 |
| | Female rate | non-consolidated | % | 15.6 | 15.8 | 16.0 | 16.2 | 16.6 |
| Contracted/ part-time employees* | Male | consolidated | persons | - | - | - | 444 | 398 |
| | Female | consolidated | persons | - | - | - | 246 | 252 |
| | Neither / Don't know | consolidated | persons | - | - | - | 0 | 0 |
| | Total | consolidated | persons | - | - | 726 | 690 | 651 |
| | Male | non-consolidated | persons | - | 412 | 419 | 382 | 334 |
| | Female | non-consolidated | persons | - | 194 | 194 | 182 | 190 |
| | Neither / Don't know | non-consolidated | persons | - | 0 | 0 | 0 | 0 |
| | Total | non-consolidated | persons | 614 | 606 | 613 | 564 | 524 |
| Temp staff | Male | consolidated | persons | - | - | 89 | 90 | 102 |
| | Female | consolidated | persons | - | - | 132 | 103 | 112 |
| | Neither / Don't know | consolidated | persons | - | - | - | 0 | 0 |
| | Total | consolidated | persons | - | - | 221 | 193 | 214 |
| | Male | non-consolidated | persons | 5 | 19 | 24 | 26 | 30 |
| | Female | non-consolidated | persons | 14 | 28 | 44 | 37 | 33 |
| | Neither / Don't know | non-consolidated | persons | - | - | - | 0 | 0 |
| | Total | non-consolidated | persons | 19 | 47 | 68 | 63 | 63 |

* Average number of persons per year

## ◆ Management Composition

| Indicators | Category | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| Below Section Chief | Male | consolidated | persons | - | - | - | - | 660 |
| | Female | consolidated | persons | - | - | - | - | 136 |
| | Total | consolidated | persons | - | - | - | - | 792 |
| | Female rate | consolidated | % | - | - | - | - | 17.2 |
| Below Section Chief | Male | non-consolidated | persons | 359 | 321 | 412 | 418 | 414 |
| | Female | non-consolidated | persons | 24 | 38 | 42 | 43 | 40 |
| | Total | non-consolidated | persons | 383 | 359 | 454 | 461 | 454 |
| | Female rate | non-consolidated | % | 6.2 | 10.5 | 9.3 | 10.3 | 8.8 |
| Section Chief and above | Male | consolidated | persons | - | - | - | - | 175 |
| | Female | consolidated | persons | - | - | - | - | 31 |
| | Total | consolidated | persons | - | - | - | - | 203 |
| | Female rate | consolidated | % | - | - | - | - | 15.3 |
| Section Chief and above | Male | non-consolidated | persons | 74 | 68 | 66 | 62 | 62 |
| | Female | non-consolidated | persons | 4 | 4 | 5 | 3 | 3 |
| | Total | non-consolidated | persons | 78 | 72 | 71 | 65 | 65 |
| | Female rate | non-consolidated | % | 5.1 | 5.5 | 7 | 4.6 | 4.6 |
| Overall | Male | consolidated | persons | - | - | - | - | 830 |
| | Female | consolidated | persons | - | - | - | - | 171 |
| | Total | consolidated | persons | - | - | - | - | 995 |
| | Female rate | consolidated | % | - | - | - | - | 17.2 |
| Overall | Male | non-consolidated | persons | 468 | 476 | 478 | 480 | 476 |
| | Female | non-consolidated | persons | 44 | 47 | 47 | 46 | 43 |
| | Total | non-consolidated | persons | 512 | 523 | 525 | 526 | 519 |
| | Female rate | non-consolidated | % | 8.6 | 9 | 9 | 8.8 | 8.3 |

## ◆ Age

| Indicators | Category | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| Age groups | Under 18 | consolidated | persons | - | - | - | - | 0 |
| | 18—19 | consolidated | persons | - | - | - | - | 37 |
| | 20—29 | consolidated | persons | - | - | - | - | 873 |
| | 30-39 | consolidated | persons | - | - | - | - | 1,612 |
| | 40-49 | consolidated | persons | - | - | - | - | 1,703 |
| | 50-59 | consolidated | persons | - | - | - | - | 1,201 |
| | Over 60 | consolidated | persons | - | - | - | - | 162 |
| Average age | Male | consolidated | age | - | - | - | - | 40.4 |
| | Female | consolidated | age | - | - | - | - | 40.9 |
| | Overall | consolidated | age | - | - | - | - | 40.5 |

| Indicators | Category | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| Age groups | Under 18 | non-consolidated | persons | - | - | - | - | 0 |
| | 18－19 | non-consolidated | persons | - | - | - | - | 18 |
| | 20－29 | non-consolidated | persons | 394 | 376 | 362 | 359 | 353 |
| | 30-39 | non-consolidated | persons | 579 | 575 | 578 | 610 | 617 |
| | 40-49 | non-consolidated | persons | 576 | 585 | 589 | 559 | 554 |
| | 50-59 | non-consolidated | persons | 523 | 547 | 498 | 580 | 579 |
| | Over 60 | non-consolidated | persons | 5 | 1 | 1 | 5 | 5 |
| Average age | Male | consolidated | age | - | - | - | - | 40.4 |
| | Female | consolidated | age | - | - | - | - | 40.9 |
| | Overall | consolidated | age | - | - | - | - | 40.5 |
| Average age | Male | non-consolidated | age | 39.8 | 40.2 | 40.4 | 40.6 | 40.6 |
| | Female | non-consolidated | age | 42.6 | 42.8 | 42.9 | 42.9 | 42.6 |
| | Overall | non-consolidated | age | 40.3 | 40.6 | 40.8 | 41 | 41 |

### ◆ Rates of disabled employees

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Disabled employees | consolidated | persons | - | - | 92 | 68 | 82 |
| Disabled employment rate[*1] | consolidated | % | - | - | 1.44 | 1.04 | 1.26 |
| Disabled employment rate[*2] | non-consolidated | % | 2.01 | 2.00 | 1.98 | 1.93 | 2.11 |
| (Statutory employment rate) | non-consolidated | % | 2.2 | 2.3 | 2.3 | 2.3 | 2.5 |

*1 Disabled employee numbers have been removed from the total of regular employees, contracted employees and part-time employees, hence calculation methods differ from those used for statutory employment rates.
*2 Each year's data is accurate as of Jun 1st

## Comfortable Working Environment

### ◆ Continuous Service

| Indicators | Category | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| Average number of years of continuous service | Male | consolidated | years | - | - | - | - | 12.2 |
| | Female | consolidated | years | - | - | - | - | 11 |
| | Overall | consolidated | years | - | - | - | - | 11.8 |
| Average number of years of continuous service | Male | non-consolidated | years | 14.2 | 14.5 | 14.4 | 14.9 | 14.9 |
| | Female | non-consolidated | years | 16.5 | 16.6 | 16.6 | 16.4 | 15.4 |
| | Overall | non-consolidated | years | 14.6 | 14.9 | 15.1 | 15.1 | 15 |

### ◆ Employees leaving the company

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Regular employees leaving the company for personal reasons | consolidated | persons | - | - | 535 | 282 | 331 |
| Rate of regular employees leaving the company for personal reasons | consolidated | % | - | - | 9.4 | 4.8 | 5.7 |
| Regular employees leaving the company for personal reasons | non-consolidated | persons | 41 | 48 | 50 | 51 | 61 |
| Turnover rate | non-consolidated | % | 2.2 | 2.3 | 2.3 | 2.9 | 2.8 |
| Rate of employees leaving the company for personal reasons | non-consolidated | % | 1.8 | 2.1 | 2.4 | 2.4 | 2.9 |
| Employees leaving the company within 3 years of joining[*] | non-consolidated | persons | 7 | 7 | 4 | 5 | 6 |
| Rate of employees leaving the company within 3 years of joining | non-consolidated | % | 4 | 4 | 2 | 3 | 3.5 |

* The number of new graduate hires in each financial year quitting within the first 3 years

### ◆ Transfers

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Transfers | non-consolidated | persons | 1 | 2 | 3 | 3 | 7 |

### ◆ Working hours

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Average number of annual hours worked per worker | consolidated | hours | - | - | - | - | 1,916 |
| Average monthly overtime hours | consolidated | hours | - | - | - | - | 10.7 |
| Average number of annual hours worked per worker | non-consolidated | hours | 1,885 | 1,911 | 1,896 | 1,876 | 1,883 |
| Average monthly overtime hours | non-consolidated | hours | 11.3 | 12.7 | 11.9 | 11.2 | 11.8 |

### ◆ Paid Leave

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Average number of days of annual paid leave taken | consolidated | days | 12.2 | 11.1 | 12 | 13.3 | 22.4 |
| Annual Paid Leave take-up rate | consolidated | % | 65.8 | 59.8 | 63.7 | 72.8 | 85.7 |
| Average number of days of annual paid leave taken | non-consolidated | days | 12.2 | 11.1 | 12 | 13.3 | 13.4 |
| Annual Paid Leave take-up rate | non-consolidated | % | 65.8 | 59.8 | 63.7 | 72.8 | 73 |

### ◆ Childcare

| Indicators | | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| Commencement of Maternity Leave[*1] | | non-consolidated | persons | 13 | 11 | 22 | 21 | 14 |
| Commencement of Childcare Leave[*1] | Male | non-consolidated | persons | 11 | 9 | 62 | 50 | 56 |
| | Female | non-consolidated | persons | 13 | 11 | 22 | 16 | 19 |
| Childcare Leave System take-up rate[*2] | Male | non-consolidated | % | 31.4 | 27.2 | 69.6 | 78.5 | 100 |
| | Female | non-consolidated | % | 100 | 100 | 100 | 100 | 100 |
| Post-childbirth and post-Childcare Leave return-to-work rate | Male | non-consolidated | % | 100 | 100 | 100 | 100 | 100 |
| | Female | non-consolidated | % | 100 | 100 | 100 | 100 | 100 |
| Post-childbirth and post-Childcare Leave retention rate | Male | non-consolidated | % | 100 | 100 | 100 | 100 | 100 |
| | Female | non-consolidated | % | 100 | 100 | 100 | 100 | 100 |
| Reduced Working Hours for Childcare take-up rate | Male | non-consolidated | persons | 0 | 1 | 2 | 3 | 3 |
| | Female | non-consolidated | persons | 43 | 42 | 48 | 52 | 56 |

*1 Not including leave taken during the last financial year which crosses over into this financial year
*2 FY2022 calculations for the rates of Childcare Leave and Leave for the Purpose of Childcaring have been made using the methods in Article 71.4.2.

### ◆ Nursing Care

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Employees taking Nursing Care Leave | non-consolidated | persons | 0 | 0 | 0 | 1 | 0 |
| Nursing Care Leave System users | non-consolidated | persons | 1 | 0 | 2 | 3 | 2 |

## ◆ Pay

| Indicators | | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| Average annual pay | Male | non-consolidated | 1,000 yen | 7,423 | 7,683 | 8,003 | 7,704 | 7,979 |
| | Female | non-consolidated | 1,000 yen | 6,133 | 6,366 | 6,707 | 6,336 | 6,632 |
| | Overall | non-consolidated | 1,000 yen | 7,224 | 7,477 | 7,801 | 7,488 | 7,763 |
| Gender wage differentials* | Full-time workers | non-consolidated | % | - | - | 75.6 | 82.2 | 83.1 |
| | Part-time & fixed-term workers | non-consolidated | % | - | - | 53.0 | 70.9 | 71.2 |
| | All workers | non-consolidated | % | - | - | 72.3 | 71.4 | 72.5 |

* Our company's pay system is a so-called "Position Class System" which does not in and of itself give rise to gender pay differentials. One reason such differentials have nevertheless emerged is the comparatively low numbers of female managers, possibly due to female employees in their late-20s and 30s going onto the "Mommy Track" of childbirth and childcare. We shall respond to this going forward by increasing female manager numbers in order to narrow gender pay disparities.

## ◆ Freedom of Association

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Number of union members*1 | consolidated | persons | - | - | - | - | 3,532 |
| Union membership rate*2 | consolidated | % | - | - | - | - | 72 |
| Number of union members*1 | non-consolidated*3 | persons | 1,753 | 1,695 | 1,687 | 1,697 | 1,697 |
| Union membership rate*2 | non-consolidated*3 | % | 100 | 100 | 100 | 100 | 100 |

*1 The number of persons for each financial year is accurate as of March 31st
*2 Number of union members/number of qualified persons (excluding managers and persons specified in agreements)
*3 Includes some related companies

## ◆ Employee Engagement Survey Results

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Response rate | non-consolidated | % | - | - | - | 85.9 | 83.9 |
| Employee engagement | non-consolidated | score | - | - | - | 47.1 | 48.4 |

## Number of Labor Standards Law Violations

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Number of labor standard violations | consolidated | cases | - | - | 1 | 0 | 1 |
| Number of labor standard violations | non-consolidated | cases | - | - | 1 | 0 | 1 |

# Recruitment

## Recruitment

| Indicators | Category | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| New employees (graduates)*1 | Male | consolidated | persons | - | - | - | - | 119 |
| | Female | consolidated | persons | - | - | - | - | 53 |
| | Total | consolidated | persons | - | - | - | - | 171 |
| | Female rate | consolidated | % | - | - | - | - | 31 |
| New employees (graduates)*1 | Male | non-consolidated | persons | 49 | 41 | 37 | 45 | 43 |
| | Female | non-consolidated | persons | 8 | 7 | 6 | 13 | 15 |
| | Total | non-consolidated | persons | 57 | 48 | 43 | 58 | 58 |
| | Female rate | non-consolidated | % | 14 | 14.5 | 14 | 22.4 | 25.9 |
| New employees (mid-career)*2 | Male | consolidated | persons | - | - | - | - | 174 |
| | Female | consolidated | persons | - | - | - | - | 150 |
| | Total | consolidated | persons | - | - | - | - | 324 |
| | Female rate | consolidated | % | - | - | - | - | 46.3 |
| New employees (mid-career)*2 | Male | non-consolidated | persons | 28 | 32 | 45 | 44 | 45 |
| | Female | non-consolidated | persons | 6 | 7 | 10 | 15 | 19 |
| | Total | non-consolidated | persons | 34 | 39 | 55 | 59 | 64 |
| | Female rate | non-consolidated | % | 17.6 | 17.9 | 18.2 | 25.4 | 29.7 |

*1 Numbers entering the company in the April of the following financial year
*2 Numbers entering the company between the April of one financial year and the March of the following financial year

## Employment of retired employees

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Employment of retired employees | non-consolidated | persons | 42 | 22 | 29 | 30 | 33 |
| Employment rate of retired employees | non-consolidated | % | 95.4 | 84.6 | 85.2 | 85.7 | 68.75 |

# Human Resources Development

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Training hours per regular employee | non-consolidated | hours | 14 | 13 | 15 | 17.7 | 15 |
| Total training hours | non-consolidated | hours | 29,156 | 27,092 | 31,045 | 37,465 | 31,915 |
| Amount invested in education and training per employee | non-consolidated | yen | 35,706 | 66,606 | 83,002 | 76,565 | 72,015 |

## Work Safety & Health

### ◆ Occupational Safety and Health Management System (ISO45001) Certified Business Sites

| Business Site | Certification secured | Certifying Institution | Certification Number |
|---|---|---|---|
| Kayaku Safety Systems (Huzhou) | January 2023 | NQA | 132021 |
| Cover rate* | | | 5% |

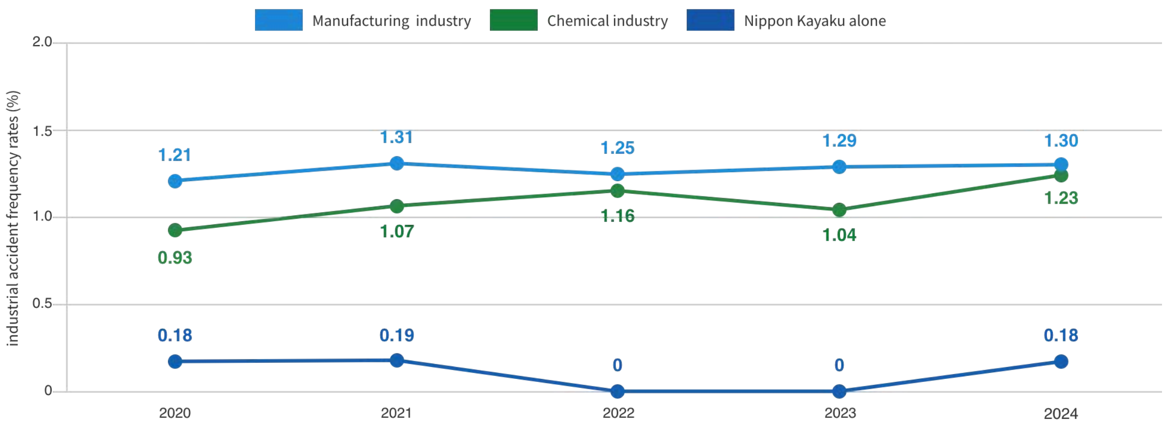
* The proportion of production facilities with ISO14001 certification owned by either Nippon Kayaku or its consolidated subsidiaries
Even business sites without ISO45001 certification have Occupational Safety and Health Management Systems of equivalent standard.

### ◆ Occupational Hazards

| Indicators | | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| Number of work-related accidents resulting in death and other serious accidents | | non-consolidated | cases | 0 | 0 | 0 | 0 | 0 |
| Number of work-related employee deaths | Regular employees | consolidated | persons | 0 | 1 | 0 | 0 | 0 |
| | Contracted employees / part-time employees | consolidated | persons | 0 | 0 | 0 | 0 | 0 |
| | Partner company employees*1 | consolidated | persons | 0 | 0 | 0 | 0 | 0 |
| Rate of Lost Time Injuries | Regular employees | non-consolidated | *2 | 0.18 (1cases) | 0.19 (1cases) | 0 (0cases) | 0 (0cases) | 0 (0cases) |
| | Contracted employees / part-time employees | non-consolidated | *2 | 0 | 0 | 0 | 0 | 1.12 |
| | Partner company employees*1 | non-consolidated | *2 | 0 | 0 | 0 | 0 | 2.12 |
| | Employees | Group companies | *2 | - | - | - | 1.5 (9people) | 1.89 (12people) |
| Lost Time Injury Intensity Rate | | non-consolidated | *3 | 0 | 0 | 0 | 0 | 0.0004 |
| Number of violations of Occupational Safety and Health-related regulations and standards | | non-consolidated | cases | 0 | 0 | 0 | 0 | 0 |

*1 Partner company employees: contractor (company) employees, temp (company) staff
*2 Occupational hazard-related deaths and injuries per every 1 million actual working hours
*3 Number of working days lost per every 1000 actual working hours

### Trends in Industrial Accident Frequency Rates




### ◆ Principal Safety Education Conducted

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| New Hire Training* | non-consolidated | persons | 49 | 41 | 46 | 60 | 72 |
| New Manager Training* | non-consolidated | persons | 24 | 54 | 57 | 42 | 29 |

* Held every year

### ◆ Employee Health

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Regular health check take-up rate* | non-consolidated | % | 100 | 100 | 100 | 100 | 100 |
| Stress-check take-up rate* | non-consolidated | % | 97.2 | 98.1 | 97.9 | 98 | 96.6 |
| Proportion of "highly-stressed" persons | non-consolidated | % | 9.5 | 10.6 | 10 | 10.1 | 10.1 |
| Mental health-related investments | non-consolidated | million yen | 11 | 13 | 12.6 | 12.6 | 10.8 |

* Excluding employees on administrative leave

## Human Rights

### ◆ Human Rights Training

| Training type | Main contents | Mainly aimed at | FY | Training format | No. of times | Average take-up rate |
|---|---|---|---|---|---|---|
| Sustainability training | • Nippon Kayaku Group's Revised Human Rights Policy, human rights initiatives demanded of companies | Executives, employees, (including contracted and part-time employees), temp staff | 2024 | E-learning | 1 | 86% |

* Held every year

## Quality

### ◆ Business Sites with Quality Management System Certification

<table>
<tr><th>Business Site Name</th><th>ISO9001</th><th>ISO13485</th><th>IATF16949</th><th>ISO22000</th></tr>
<tr><td>Safety Head Plant (Himeji)</td><td></td><td></td><td rowspan="3">●</td><td></td></tr>
<tr><td>Safety Systems Group</td><td></td><td></td><td></td></tr>
<tr><td>Research & Development Head Office</td><td></td><td></td><td></td></tr>
<tr><td>Polatechno Group</td><td rowspan="3">●</td><td></td><td></td><td></td></tr>
<tr><td>Joetsu Plant</td><td></td><td></td><td></td></tr>
<tr><td>WUXI POLATECHNO OPTICS</td><td></td><td></td><td></td></tr>
<tr><td>Fukuyama Plant</td><td rowspan="6">●</td><td></td><td></td><td></td></tr>
<tr><td>Asa Plant</td><td></td><td></td><td></td></tr>
<tr><td>Tokyo Plant</td><td></td><td></td><td></td></tr>
<tr><td>Fine Chemicals Business Unit</td><td></td><td></td><td></td></tr>
<tr><td>Fine Chemicals Research Lab</td><td></td><td></td><td></td></tr>
<tr><td>Taiwan Nippon Kayaku (Fine Chemicals Business Unit)</td><td></td><td></td><td></td></tr>
<tr><td>Takasaki Plant</td><td rowspan="3">●</td><td rowspan="3">●</td><td></td><td></td></tr>
<tr><td>Pharmaceuticals Group</td><td></td><td></td></tr>
<tr><td>Pharmaceuticals Research Laboratories</td><td></td><td></td></tr>
<tr><td>Kashima Plant</td><td rowspan="3">●</td><td></td><td></td><td></td></tr>
<tr><td>Agrochemicals Group</td><td></td><td></td><td></td></tr>
<tr><td>Agrochemicals Laboratories</td><td></td><td></td><td></td></tr>
<tr><td>Kayaku Safety Systems Europe</td><td></td><td></td><td>●</td><td></td></tr>
<tr><td>Kayaku Safety Systems (Huzhou)</td><td></td><td></td><td>●</td><td></td></tr>
<tr><td>Kayaku Safety Systems de Mexico</td><td></td><td></td><td>●</td><td></td></tr>
<tr><td>Kayaku Safety Systems Malaysia</td><td></td><td></td><td>●</td><td></td></tr>
<tr><td>MOXTEK</td><td>●</td><td></td><td></td><td></td></tr>
<tr><td>Dejima Optical Films</td><td>●</td><td></td><td></td><td></td></tr>
<tr><td>RaySpec</td><td>●</td><td></td><td></td><td></td></tr>
<tr><td>KAYAKU CHEMICAL (WUXI)</td><td>●</td><td></td><td></td><td></td></tr>
<tr><td>Kayaku Advanced Materials</td><td>●</td><td>●</td><td></td><td></td></tr>
<tr><td>WUXI ADVANCED KAYAKU CHEMICALS</td><td>●</td><td></td><td></td><td></td></tr>
<tr><td>NIPPONKAYAKU FOOD TECHNO</td><td>●</td><td></td><td></td><td>●</td></tr>
</table>

### ◆ Certification Status for GMP Approval

| Business Site Name | Principal certifying countries |
|---|---|
| Takasaki Plant | Japan, America, Europe |

## Quality Education

### ◆ Attendance Results（Japan）

| Training Type | Contents | Attendees in FY2024 | Total |
|---|---|---|---|
| Why? Why? Analysis Training | ・Root cause analysis at the time of a problem<br>・Drafting reoccurrence prevention measures<br>・Practical exercises | 47 (33 males, 14 females) | 263 (Since FY2020) |
| Measures Against Human Error Training | ・Extracting human error risks<br>・Drafting advance prevention measures<br>・Horizontal expansion of prevention activities | 166 (144 males, 22 females) | 910 (Since FY2020) |
| Quality Training for New Hires | ・The relationship between Quality the **KAYAKU spirit**<br>・"Quality Control for Everyone"; 7 tools for Quality Control<br>・ISO standards and accreditation | 58 (43 males, 15 females) | 317 (Since FY2021) |
| Monthly Quality Lecture | Seminar on Quality Defect Prevention<br>"The Conversation Technique for Accelerating Team Growth: Unravelling the psychological mechanism behind quality defects and understanding the essence of quality compliance" | 143 (92 males, 51 females) | 303 (Since FY2023) |

## R&D

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| **R&D costs** | consolidated | billion yen | 12.4 | 13 | 13.3 | 19.8 | 15 |
| **R&D costs as a percentage of sales** | consolidated | % | 7.2 | 7 | 6.7 | 9.8 | 6.7 |

## CSR

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| **CSR expenditure** | non-consolidated | million yen | 146 | 154 | 149 | 158 | 93 |
| **Total donations** | non-consolidated | million yen | 114 | 123 | 120 | 126 | 90 |
| **Other CSR expenditures** | non-consolidated | million yen | 32 | 31 | 29 | 32 | 3 |

# Governance

## Corporate Governance

### Board Member Composition*

| Indicators | Covering | | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| Directors | Inside | Male | persons | 7 | 6 | 6 | 6 | 6 |
| | | Female | persons | 0 | 0 | 0 | 0 | 0 |
| | | Total | persons | 7 | 6 | 6 | 6 | 6 |
| | Outside (Independent) | Male | persons | 3 (3) | 3 (3) | 3 (3) | 3 (3) | 3 (3) |
| | | Female | persons | 0 | 0 | 0 | 1 (1) | 1 (1) |
| | | Total | persons | 3 (3) | 3 (3) | 3 (3) | 4 (4) | 4 (4) |
| | Overall Total (Independent) | | persons | 10 (3) | 9 (3) | 9 (3) | 10 (4) | 10 (4) |
| Average term | | | years | 2.7 | 3 | 4 | 4.6 | 3.5 |
| Independent Outside Director Percentage (Results) | | | % | 30 | 33 | 33 | 40 | 40 |
| Female Director Percentage | | | % | 0 | 0 | 0 | 10 | 10 |
| Executive Directors | | | persons | 7 | 6 | 6 | 6 | 6 |

* Each year's data is accurate as of the Shareholders Meeting yearly held on June

### Audit & Supervisory Board Member Composition*

| Indicators | Covering | | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| Auditors | Inside | Male | persons | 2 | 1 | 1 | 1 | 1 |
| | | Female | persons | 0 | 1 | 1 | 1 | 1 |
| | | Total | persons | 2 | 2 | 2 | 2 | 2 |
| | Outside (Independent) | Male | persons | 3 (2) | 3 (2) | 3 (3) | 3 (3) | 3 (3) |
| | | Female | persons | 0 | 0 | 0 | 0 | 0 |
| | | Total | persons | 3 (2) | 3 (2) | 3 (3) | 3 (3) | 3 (3) |
| | Overall Total (Independent) | | persons | 5 (2) | 5 (2) | 5 (3) | 5 (3) | 5 (3) |
| Average term | | | years | 2.8 | 3 | 4 | 4.4 | 1.2 |
| Independent Outside Auditor Percentage (Results) | | | % | 40 | 40 | 60 | 60 | 60 |
| Female Auditor Percentage | | | % | 0 | 20 | 20 | 20 | 20 |

* Each year's data is accurate as of the Shareholders Meeting yearly held on June

## ◆ Number of Committee Meetings Held

| | Meeting Frequency | Meetings Held | | | | |
|---|---|---|---|---|---|---|
| | | 2020 | 2021 | 2022 | 2023 | 2024 |
| **Board of Directors** | Monthly | 14 | 14 | 14 | 14 | 14 |
| **Nominations & Remuneration Advisory Committee** | Whenever necessary | 3 | 5 | 6 | 6 | 7 |
| **Sustainable Management Meeting** | Weekly | 51 | 48 | 50 | 48 | 47 |
| **Executive Directors Meeting** | Quarterly | 4 | 4 | 4 | 4 | 4 |
| **Management Strategy Meeting** | Twice a year | 2 | 2 | 2 | 2 | 2 |
| **Audit & Supervisory Board** | Monthly | 12 | 12 | 12 | 12 | 12 |
| **Ethics Committee** | Twice a year | 2 | 2 | 2 | 2 | 2 |
| **Risk Management Committee** | Twice a year | 2 | 2 | 2 | 4 | 2 |
| **Environment, Safety and Quality Management Committee** | Twice a year | 2 | 2 | 2 | 2 | 2 |
| **Research & Development Management Committee** | Twice a year plus convened ad hoc by the chairman when required | 1 | 3 | 2 | 2 | 2 |

* Each financial year's data is taken from April to March

## ◆ Audit & Supervisory Board Members Attendance at Committee Meetings (FY2024)*

| Executive Title | Name | Board Meeting attendance | Nominations & Remuneration Advisory Committee attendance |
|---|---|---|---|
| President and Representative Director | Atsuhiro Wakumoto | 14/14 | 7/7 |
| Representative Director | Yoshitsugu Ishida | 14/14 | - |
| Member of the Board | Shigeyuki Kawamura | 14/14 | - |
| Member of the Board | Hiroshi Shimada | 11/11 | - |
| Member of the Board | Shinji Inoue | 11/11 | - |
| Member of the Board | Makoto Takeda | 11/11 | 7/7 |
| Outside Director (Independent) | Yo Ota | 14/14 | 5/7 |
| Outside Director (Independent) | Yasuyuki Fujishima | 13/14 | 6/7 |
| Outside Director (Independent) | Seiichi Fusamura | 13/14 | 6/7 |
| Outside Director (Independent) | Ikuko Akamatsu | 14/14 | 4/7 |
| **Average rate of attendance** | | **98.6%** | **83.3%** |

* Data taken from April 2024 to March 2025

## Audit & Supervisory Board Members Attendance at Committee Meetings (FY2024)*

| Position | Name | Board Meetings attended | Auditor attendance |
|---|---|---|---|
| Standing Auditor | Megumi Machida | 14/14 | 12/12 |
| Standing Auditor | Yoichiro Wada | 14/14 | 12/12 |
| Outside Auditor (Independent) | Ichiro Wakasa | 14/14 | 12/12 |
| Outside Auditor (Independent) | Atsushi Iwasaki | 11/11 | 10/10 |
| Outside Auditor (Independent) | Kyoichi Toriyama | 10/11 | 10/10 |
| **Average rate of attendance** | | **98.2%** | **100%** |

* Data from April 2024 to March 2025

## Executive Remuneration*

| Category | | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| **Directors** | **Total remuneration amount** | million yen | 449 | 410 | 382 | 349 | 419 |
| **(Outside Directors excepted)** | **Number of directors concerned** | persons | 7 | 8 | 6 | 8 | 9 |
| **Auditors** | **Total remuneration amount** | million yen | 44 | 45 | 45 | 45 | 46 |
| **(Outside Directors excepted)** | **Number of directors concerned** | persons | 2 | 3 | 2 | 3 | 2 |
| **Outside Directors** | **Total remuneration amount** | million yen | 47 | 55 | 57 | 71 | 75 |
| | **Number of directors concerned** | persons | 6 | 6 | 7 | 7 | 9 |
| **Total** | | **million yen** | **540** | **510** | **484** | **465** | **540** |

* The above figures and remuneration amounts for directors and auditors include those of directors retiring at the time of the Shareholders Meeting yearly held on June.
Furthermore, our outside directors have not received any remuneration from Nippon Kayaku Group companies.

## Remuneration for CPA Auditors (consolidated)

| Indicators | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| **Remuneration based on audit and certification work** | million yen | 89 | 80 | 73 | 79 | 86 |
| **Remuneration not based on audit work** | million yen | 0 | 0 | 0 | 0 | 0 |
| **Total** | **million yen** | **89** | **80** | **73** | **79** | **86** |

## ◆ Categories of Shares Issued (As of 2025-03-31)

| Category | Number of shares | Number of voting shares | Details |
|---|---|---|---|
| Non-voting shares | - | - | - |
| Restricted voting shares (treasury stocks etc.) | - | - | - |
| Restricted voting shares (other) | - | - | - |
| Full voting shares (treasury stocks etc.) | (treasury stocks)<br>Common shares 5,111,400 | - | - |
| | (Mutually-held shares)<br>Common shares 28,000 | - | - |
| Full voting shares (other) | Common shares 159,609,400 | 1,596,094 | - |
| Shares of less than one unit* | Common shares 254,770 | - | - |
| Total number of shares issued | 165,003,570 | - | - |
| General shareholder voting shares | - | 1,596,094 | - |

* Shares of less than one unit include 85 of our own company's treasury stocks.

## Compliance

### ◆ Inside Whistleblowing Cases

| Contents of Complaints and Consultations | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Harrassment (power harrassment, sexual harrassment, etc.) | non-consolidated | cases | 6 | 2 | 7 | 16 | 8 |
| | Group companies | cases | - | - | - | - | 5 |
| Violations of company rules or manners | non-consolidated | cases | 0 | 0 | 2 | 3 | 6 |
| | Group companies | cases | - | - | - | - | 3 |
| Work or labor-related | non-consolidated | cases | 1 | 1 | 3 | 5 | 3 |
| | Group companies | cases | - | - | - | - | 0 |
| Others | non-consolidated | cases | 0 | 1 | 4 | 3 | 0 |
| | Group companies | cases | - | - | - | - | 0 |
| Total | non-consolidated | cases | 7 | 4 | 16 | 27 | 25 |

### ◆ Number of Whistleblowing Complaints and Consultations from Suppliers

| Whistleblowing | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Whistleblowing complaints and consultations from suppliers | non-consolidated | cases | - | 0 | 1 | 0 | 4 |

## Anti-Corruption

### Employees punished, fined or dimissed for causing Anti-Corruption Policy violations

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Number of violations of anti-corruption-related policies | non-consolidated | cases | 0 | 0 | 0 | 0 | 0 |
| Employee punishments and dismissals | non-consolidated | cases | 0 | 0 | 0 | 0 | 0 |
| Corruption-related fines issued | non-consolidated | yen | 0 | 0 | 0 | 0 | 0 |
| Applications of corruption-related penalties | non-consolidated | cases | 0 | 0 | 0 | 0 | 0 |

### Political Donations

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Political donations | non-consolidated | 10,000 yen | 113 | 104 | 106 | 89 | 89 |

## Information Security

### Number of Critical Security Incident cases*

| Indicators | Covering | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Number of Critical Security Incident cases* | consolidated | cases | - | - | - | 0 | 0 |

* Levels of security incident criticality are determined by our Information Risk Subcommittee.

### Business Sites Certified by the Trusted Information Security Assessment Exchange (TISAX), (concerned with the global automotive industry supply chain)

| Business Site | Certification secured | Registered for inspection with | Certification Number |
|---|---|---|---|
| Kayaku Safety Systems Europe | January 2023 | DNV | SW215F |
| Kayaku Safety Systems de Mexico | January 2023 | TUV NORD DE MEXICO | S6485M |
| Kayaku Safety Systems Malaysia | May 2024 | ENX ASSOCIATION | S5LX79 |

# Editorial Policy

The aim of this Sustainability Website is to ensure that all our stakeholders (employees, customers, suppliers, shareholders, investors and local communities) have a thorough understanding of the Nippon Kayaku Group's ESG (Environment, Social and Governance) initiatives. We are making the most of the website's features to publish comprehensive information on our policies, organizational structure, performance indicators, initiatives and numerical data. We also report on various guidelines (such as GRI and ISO26000 standards) depending on how important we deem them to be with respect to our group and society at large.

## Reporting Period

FY 2024 (Apr 1st 2024 to Mar 31st 2025)
A section of the data within pertains to the period Jan 1st 2024 to Dec 31st 2024.
Certain reports on activities and initiatives may also include information from before and/or after the above periods (when providing the latest information).

## Report Focus

Nippon Kayaku Co., Ltd.

### Consolidated Subsidiary Companies

- ○ Kayaku Safety Systems Europe
- ○ Kayaku Safety Systems (Huzhou) Co., Ltd
- ○ Kayaku Safety Systems de Mexico S.A. de C.V.
- ○ Kayaku Safety Systems Malaysia Sdn.Bhd.
- NIPPON KAYAKU AMERICA, INC.
- POLATECHNO CO., LTD
- ○ MOXTEK, Inc.
- ○ WUXI POLATECHNO OPTICS CO., LTD
- Dejima Tech B.V.
- ○ Dejima Optical Films B.V.
- ○ RaySpec Ltd.
- NIKKA FINE TECHNO CO., LTD
- Nippon Kayaku Korea Co., Ltd
- Euro Nippon Kayaku GmbH
- Kowa Sangyo Co., Ltd
- ○ KAYAKU CHEMICAL (WUXI) CO., LTD
- ○ KAYAKU Advanced Materials Inc.
- Gilmore Road Property, LLC
- ○ Teikoku Taping System Co., Ltd
- ○ WUXI ADVANCED KAYAKU CHEMICAL CO., LTD
- Shanghai Kayaku International Trading Co., Ltd
- Nippon Kayaku (Thailand) Co., Ltd
- ○ NIPPON KAYAKU FOOD TECHNO CO., LTD
- Taiwan Nippon Kayaku Co., Ltd
- Kayaku (Shanghai) Co., Ltd
- Wako Toshi Kaihatsu Co., Ltd.

* Consolidated subsidiaries with manufacturing facilities have been listed with a ○ beside their name. Including 7 Nippon Kayaku plants, we have 20 manufacturing facilities in total (as of July 25th 2025).

## Publication date

Sep 25th 2025

## Reporting Cycle

1 year (Previous issue: Jul 2024; Next issue: Jul 2026)

## Guidelines consulted

GRI (Global Reporting Initiatives) Standards
SASB (Sustainability Accounting Standards Board) Standards
ISO26000
Ministry of the Environment, Japan (Environmental Accounting Guidelines: 2005 Edition)
TCFD (Task Force on Climate-Related Financial Disclosures) recommendations
TNFD (Task Force on Nature-Related Financial Disclosures) recommendations

## Third-Party Inspections

Since 2021, the Nippon Kayaku Group has sought to increase the reliability of its environmental performance data on greenhouse gas emission levels (Scope 1, Scope 2 and Scope 3). To that end, it has commissioned third-party inspection reports from Sustainability Accounting Co., Ltd. and subsequently published the results. From 2023, the inspection report covers levels of energy consumption, water use, and waste alongside greenhouse gas emissions.
For further details, please see the section on Independent Third-Party Inspection Reports.

## Media for Information Disclosure

In addition to via this website, sustainability information is disclosed through the following publications.

| Publication | Format | Released |
|---|---|---|
| Sustainability Report | PDF | October |
| Integrated Report | PDF | December |
| Corporate Governance Report | PDF | June |
| Securities Report | PDF<br>(Japanese Only) | June |

## Enquiries

### Office Hours

Weekdays: 0900 to 1730 (closed on Saturdays, Sundays, public holidays and company holidays)

### Contact Information

Sustainability Promotion Department
Corporate Planning Division
Nippon Kayaku Co., Ltd
1-1 Marunouchi 2-chome, Chiyoda-ku, Tokyo
ZIP code: 100-0005
03-6731-5227

Email enquiries

## Forward-Looking Statements

This website not only contains facts about the past and present, but also predictions, forecasts, targets and plans related to the future. All such references to the future are based on the information available at the time of publication. Naturally, due to a variety of factors, our forecasts may differ substantially from actual future business results. We therefore kindly remind website users to exercise their own judgment when utilizing the information within.

Sustainability Accounting Co.,Ltd.

# Independent Assurance Statement

August 28, 2025

Mr. Shigeyuki Kawamura
President
Nippon Kayaku Co., Ltd.

## 1. Purpose

We, Sustainability Accounting Co., Ltd., have been engaged by Nippon Kayaku Co., Ltd., ("the Company") to provide limited assurance on the following data of the Company domestic and overseas group for the fiscal year 2024: 2.24 million GJ of energy consumption, 32.5 kt-$CO_2$e for Scope1, 78.6 kt-$CO_2$ for market-based Scope2 and 393 kt-$CO_2$e for Scope3 (Categories 1,2,3,4,5,6,7,9,12,13), 11.2 million $m^3$ of water withdrawal, and 29.6 kt of waste emissions (collectively, "the Environmental performance data"). The purpose of this process is to express our conclusion on whether the Environmental performance data were calculated in accordance with the Company's standards. The Company's management is responsible for calculating the Environmental performance data. Our responsibility is to independently carry out a limited assurance engagement and to express our assurance conclusion.

## 2. Procedures Performed

We conducted our assurance engagement in accordance with International Standard on Assurance Engagement 3000 (ISAE 3000) and International Standard on Assurance Engagement 3410 (ISAE 3410). The key procedures we carried out included:

- Interviewing the Company's responsible personnel to understand the Company's standards
- Reviewing the Company's standards
- Performing cross-checks on a sample basis and performing a recalculation to determine whether the Environmental performance data were calculated in accordance with the Company's standards.
- On-site inspection

## 3. Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Environmental performance data have not been calculated in all material respects in accordance with the Company's standards.

We have no conflict of interest relationships with the Company.

Takashi Fukushima
Representative Director
Sustainability Accounting Co., Ltd.

# External Evaluations and Awards

## ESG Index Inclusions and Ratings (as of August 2025)

### FTSE4Good Index Series

Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

> FTSE4Good Index Series

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Nippon Kayaku Co., Ltd. has been independently assessed according to the FTSE4Good Index Series criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. FTSE4Good Index Series indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

| 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|
| | | ○ | ○ |

### FTSE Blossom Japan Index

FTSE Blossom Japan Index, created by the global index and data provider FTSE Russell, is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products. The index has been adopted by the Government Pension Investment Fund (hereafter: GPIF) as one of its benchmark stock indexes.

> FTSE Blossom Japan Index

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Nippon Kayaku Co., Ltd. has been independently assessed according to the FTSE Blossom Japan Index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. FTSE Blossom Japan Index indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

| 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|
| | | ○ | ○ |

### FTSE Blossom Japan Sector Relative Index

The FTSE Blossom Japan Sector Relative Index, devised by FTSE Russell, is a sector-neutral index which reflects the performance of the Japanese companies with outstanding Environmental, Social and Governance (hereafter: ESG) practices relative to others in their sector. The index has been adopted by the Government Pension Investment Fund (hereafter: GPIF) as one of its benchmark stock indexes.

> FTSE Blossom Japan Sector Relative Index

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Nippon Kayaku Co., Ltd. has been independently assessed according to the FTSE Blossom Japan Sector Relative Index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. Created by the global index provider FTSE Russell, the FTSE Blossom Japan Sector Relative Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. FTSE Blossom Japan Sector Relative Index indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

| 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|
| ○ | ○ | ○ | ○ |

### MSCI Nihonkabu ESG Select Leaders Index

**2025** CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

The MSCI Nihonkabu Select Leaders Index is comprised of MSCI parent index (MSCI Nihonkabu IMI Index) companies that are demonstrating outstanding ESG performance in each industry sector. This index is also among those adopted as a benchmark by the GPIF.

> MSCI Nihonkabu ESG Select Leaders Index

The inclusion of Nippon Kayaku Co., Ltd. in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Nippon Kayaku Co., Ltd. by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

| 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|
| | ○ | ○ | ○ |

## MSCI Japan Empowering Women Index (WIN)

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

The MSCI Japan Empowering Women Index is derived from its MCSI Japan IMI Top 700 parent index, and comprises the companies with outstanding records of promoting women's empowerment. This index is also among those adopted as a benchmark by the GPIF.

> MSCI Japan Empowering Women Index (WIN)



| 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|
| ○ | ○ | ○ | ○ |

## MSCI ESG Ratings

MSCI ESG Ratings are derived from MSCI surveys and analysis of the extent to which companies are appropriately managing ESG risks. This seven-grade rating system from AAA to CCC serves as the global index for ESG investment. The Nippon Kayaku Group's rating for 2025 was AA.

> MSCI ESG Ratings



| 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|
| BBB | A | AA | AA |

## S&P/JPX Carbon Efficient Index

The S&P JPX Carbon Efficient Index is an environmental stock index jointly developed by S&P Dow Jones Indices. It weights and ranks TOPIX companies based on how well they disclose environmental information and carbon efficiency (carbon emissions per unit of sales), and is also among the indexes adopted as a benchmark by the GPIF.

> S&P/JPX Carbon Efficient Index

| 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|
| ○ | ○ | ○ | ○ |

### Morningstar Japan ex-REIT Gender Diversity Tilt Index

The Morningstar ex-REIT Gender Diversity Tilt Index (hereafter: GenDi J) makes use of the data and evaluation methods supplied by Equileap to rank companies based on the extent to which their gender diversity policies have been instilled throughout the organization, and on how they promote equal opportunities regardless of gender. Companies are placed into one of five groups depending on their score, with the Nippon Kayaku Group currently featuring in GenDi J Group 3. This index is also among those adopted as a benchmark by the GPIF.

> Morningstar Japan ex-REIT Gender Diversity Tilt Index

| 2022 | 2023 | 2024 |
|---|---|---|
| | ○ | ○ |

### SOMPO Sustainability Index

The SOMPO Sustainability Index is an active index uniquely compiled from the Environmental, Social and Governance (ESG) scores given in the Environmental Management and ESG Management surveys conducted by SOMPO Risk Management allied to the stock value evaluations conducted by SOMPO Asset Management. It includes around 300 brands with outstanding ESG evaluations.

> SOMPO Sustainability Index

| 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|
| | | ○ | ○ |

## Certification

### RBA (Responsible Business Alliance) Audit sees Kayaku Advanced Materials Certified Silver

The RBA (Responsible Business Alliance) is a corporate alliance which promotes social responsibility with respect to the global supply chain. Its remit involves fixing the necessary regulations to guarantee that the global supply chain sees safe working conditions, workers treated with respect and dignity, and due consideration given to the environment in the conduct of corporate activities.

Kayaku Advanced Materials (KAM) underwent an RBA Third-Party Audit (VAP Audit) in both 2021 and 2023. Its appropriate management in the audit areas of Labor, Safety & Health, Environment, Ethics and Management Systems was duly recognized, and deemed worthy of Silver Certification.

| 2021 | 2023 |
|---|---|
| Silver Certification | Silver Certification |

## Recognition and Awards

### CDP

CDP is an international NGO that operates a global disclosure system based on examination and evaluation of information demanded from companies and cities on climate change measures, water resource protection and forest conservation.
FY2024 saw the Nippon Kayaku Group earn an A for its Climate Change Report and a A- for its Water Security Report.

| | 2022 | 2023 | 2024 |
|---|---|---|---|
| **Climate Change** | A- | A- | A |
| **Water Security** | C | B | A- |

### EcoVadis

EcoVadis SS (headquartered in France) hosts an ESG rating platform that assesses over 85,000 companies and organizations from 160 countries and 200 sectors. Comprehensive evaluations are made in the four fields of environment, labor and human rights, ethics, and sustainable resource procurement.
March 2025 saw the Nippon Kayaku Group earn a Committed Badge.

| 2024 | 2025 |
|---|---|
| Bronze Medal | Committed Badge |

### BroadBand Security (Gomez ESG Site Ranking)

The Gomes ESG Site Ranking 2024 was compiled by BroadBand Security, Inc., which rated companies from the five perspectives of: website user-friendliness, ESG sharing, E (environment), S (social) and G (governance), factoring in not only principal users such as shareholders and investors but also a wide range of stakeholders. 2024 saw the Nippon Kayaku Group selected as an "Outstanding Company."

> Gomez ESG Site Ranking (Japanese)

### BroadBand Security (Gomez IR Site Ranking)

The Gomez IR Site Ranking, selected by Broadband Security, Inc., is based on four categories: ease of use of websites, adequacy of financial and business results information, adequacy of corporate and management information, and aggressiveness and innovativeness in disclosing information, with a focus on the viewpoints of primary users-shareholders and investors.
In 2024, the Nippon Kayaku Group was selected as the "Silver prize."

> Gomez IR Site Ranking (Japanese)

## Daiwa Investor Relations（Daiwa Internet IR Award）

The Daiwa Internet IR Award, which is selected by Daiwa Investor Relations Co., Ltd., surveys and evaluates the websites of listed companies based on the concepts of 5T&C (Timely, Transparent, Traceable, Trustworth, Total and Communication.)
In 2024, the Nippon Kayaku Group was selected as the “Commendation Award” in the Internet IR category and “Excellence Award” in the sustainability category.

> Daiwa Internet IR Award (Japanese)

## Nikko Investor Relations (Company Website Quality Ranking)

The "Company Website Quality Ranking" selected by Nikko Investor Relations Co., Ltd. is a survey of the websites of all listed companies based on objective evaluation criteria set from the three viewpoints to "easy to understand," "easy to use," and "amount of information."
In 2024, the Nippon Kayaku Group was selected Best Award in comprehensive ranking segment.

> Company Website Quality Ranking (Japanese)