

Environmental Policy

Make environmental protection integral to business activities and contribute to the sustainable development of society.

1. Work to minimize the environmental impact of our business activities, including the development, manufacture, and shipment of chemical industrial products.
2. Comply with environmental laws and regulations, agreements, customer requirements, and all other applicable requirements.
3. Conduct routine and periodic inspections effectively, strive to take preventive measures to avoid significant environmental impact including in the event of accidents or emergencies, and carry out necessary training.
4. For environmental aspects with significant impact, set measurable environmental targets within technically and economically feasible limits, regularly evaluate and analyze progress against those targets, and take necessary action to spiral up environmental management system. Also focus on the following areas.
 - (1) Global warming mitigation initiatives
 - (2) Environmental impact reduction initiatives
 - (3) Initiatives to realize a recycling society
5. To improve environmental performance, effectively implement, maintain, and manage a documented environmental management system. Also promote education and public relations activities to ensure that all employees and partner business sites understand and are familiar with our Environmental Policy.
6. Disclose this policy to external parties upon request.

Environmental accounting

The Toagosei Group introduced environmental accounting in 2000 to ascertain costs related to environmental activities and their benefits and to utilize the data as a basis for decision-making for the purpose of engaging in more efficient environmental protection activities. Specifically, we aggregate costs such as those for reducing CO₂ through steam utilization at a waste incineration plant operated jointly with the Yokohama City, and for strengthening wastewater treatment facilities to reduce environmental impact.

Scope of calculations

Toagosei Group (production sites in Japan) *See page 68 for the scope of environmental performance data calculation

Calculation method

1. Calculated using our Calculation Rules prepared with reference to the Environmental Accounting Guidelines (2005 version) of the Ministry of the Environment of Japan.
2. Compound costs that include expenditures for purposes other than environmental conservation are prorated in proportion to their impact on the environment then counted as environmental costs.
3. Investment amounts are treated as actual capital investments, and expense amounts are treated as actual facility maintenance and management costs, personnel and other costs.
4. Items for which effects could be clearly calculated were calculated in monetary and quantitative units. However, effects that are difficult to quantify, such as risk aversion and deemed effects, are not included.

Environmental investments and expenses by cost category (Unit: millions of yen)

Types of environmental conservation costs in 2025 (Content of major initiatives)		Investment	Expenses
1. Cost within business area		3,103	9,114
Breakdown	1 Pollution prevention costs (costs to prevent atmospheric and water pollution)	2,320	7,306
	2 Global environmental protection costs (costs to prevent global warming, promote energy-saving, prevent destruction of the ozone layer)	551	1,324
	3 Material recycling costs (costs to use resources efficiently and for disposal and treatment of industrial waste)	233	484
2. Upstream/downstream costs (costs incurred in downstream / upstream from manufacturing and service activities: green procurement, etc.)		189	35
3. Management activity costs (costs to maintain and operate environmental management system, monitor and measure environmental impact, and offer environmental education)		146	463
4. R&D expenses (costs to research and develop products and other items that contribute to environmental protection and reduce environmental impact during manufacturing)		91	1,281
5. Social activity costs (costs of nature conservation and environmental improvements such as greenification, donations to and support for environmental protection organizations, and activities related to local residents)		1	40
6. Environmental damage costs (costs to recover nature and for compensations related to environmental conservation)		26	12
7. Other costs related to environmental conservation		142	150
Total		3,699	11,095

Cost trends (Unit: millions of yen)

Indicators	2021	2022	2023	2024	2025
Investments for the purpose of environmental conservation	2,600	2,963	2,650	4,361	3,699
Expenses for the purpose of environmental conservation	8,103	10,376	9,133	9,386	11,095

Environmental management certification status

The Toagosei Group continues to maintain ISO 14001 certification, the international standard for environmental management. We consider the environment as we develop and manufacture products and provide services. We began obtaining ISO 14001 environmental management system certification in 1998. All 12 of our domestic plants and five overseas Group companies now hold certification.

Going forward, we will continue to pursue ISO 14001 certification across our Group companies, including overseas.

Details of ISO 14001 certified sites

Toagosei Co., Ltd. (non-consolidated) (Plants acquisition rate: 100%)

Plants	Certification number	Certification date
Nagoya Plant	JMAQA-E960	December 1998
Takaoka Plant		December 1998
Tokushima Plant		February 1999
Sakaide Plant		February 1999
Yokohama Plant		March 2003
Hirono Plant		November 2005
Oita Plant		May 2007
Kawasaki Plant		April 2010

Group companies in Japan

Company	Certification number	Certification date
Aronkasei Co., Ltd. (four plants)	JCQA-E-0891	April 2002

Environmental performance

Scope				Calculation period
Toagosei Group (Production sites in Japan)	Toagosei	Plants	Nagoya Plant, Yokohama Plant, Takaoka Plant, Tokushima Plant, Sakaide Plant, Oita Plant, Kawasaki Plant, Hirono Plant	One year from January 1 to December 31, 2025
		Research centers	Nagoya Criatio R&D Center, Institute for Advanced Sciences (Ibaraki Prefecture), Kawasaki Frontience R&D Center	
	Group companies	Aronkasei	Kanto Plant (Ibaraki Prefecture), Nagoya Plant, Monozukuri Center (Aichi Prefecture), Shiga Plant, Onomichi Plant	

