



2024

1 July 2023 – 30 June 2024

ENVIRONMENTAL REPORT



We deliver the “Convenience”, “Genuine Pleasure” and “Trust & Safety” required by society all over the world based on our philosophy of manufacturing long life products, in order to protect the environment.

Shachihata’s history began back in 1925 with the release of the “Mannen (everlasting) Stamp Pad”, a ground breaking design as we led the way in a refillable ink pad, and it went on to become a huge seller. Since then, Shachihata has maintained a philosophy of manufacturing long life products. We now find ourselves in an age of increased concern for the environment. We continue our efforts to apply ingenuity and flexible ideas unbound by conventional thinking to create demand that goes beyond traditional concepts, to deliver the ultimate in “Convenience”, “Genuine Pleasure” and “Trust & Safety” to our customers all over the world.

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Company overview

Company name: Shachihata Inc.
 Headquarters: 4-69 Amazuka-cho, Nishi-ku, Nagoya 451-0021
 Phone: +81-52-521-3600
 Established: September 1941
 Founded: January 1925
 Representative: President Masayoshi Funahashi
 Capital: 100 million yen
 Employees: 756 (non-consolidated) (as of June 2023)

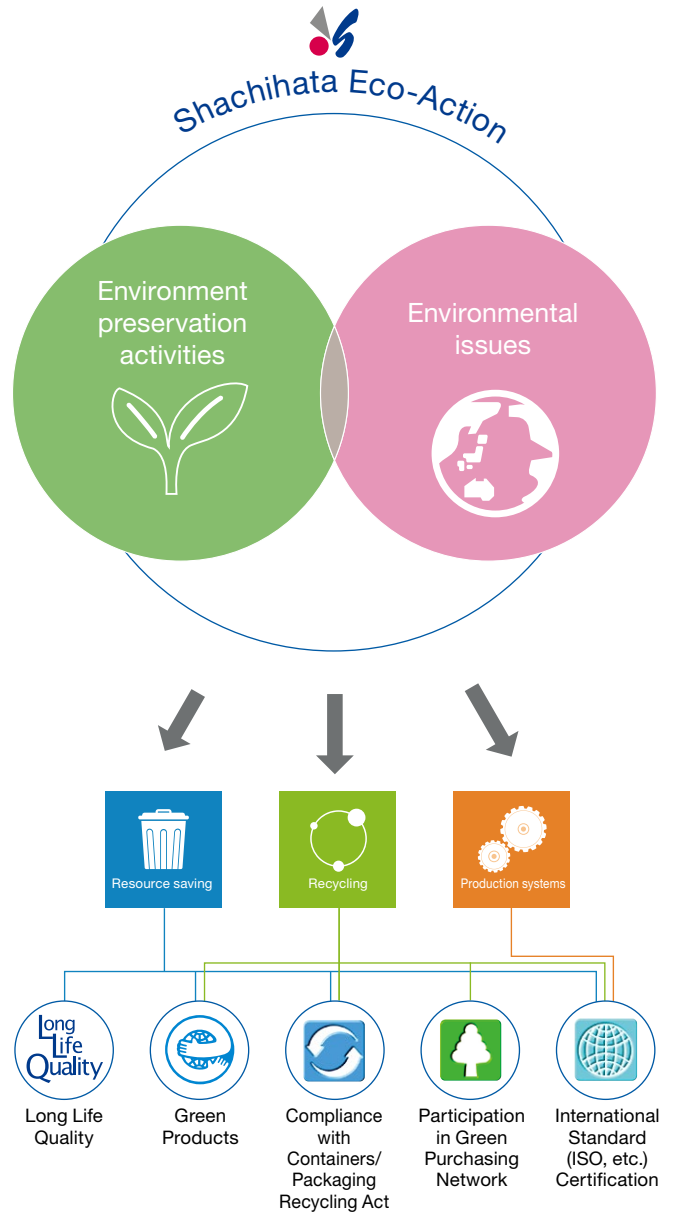
Shachihata Eco-Action

Co-existence and in harmony with the environment is a crucial issue and must be taken seriously by global companies. We continue to put eco-action into practice, in order to save resources, promote recycling and implement low waste production systems.

The Shachihata Environmental Report is to describe Shachihata Group environmental activities to our stakeholders, and also as a communication tool. We take your feedback into account in expanding our activities and what we disclose. The main points covered in this report are listed below.

- We incorporate content in accordance with the 2018 Environmental Report Guidelines, and disclosed comprehensive information on our website in order to share the latest information.
- We view climate change as an extremely important management issue, and have identified important Shachihata Group issues such as reducing CO₂ emissions. We describe these initiatives and their relations to the SDGs.
- We have disclosed the results of initiatives conducted over several years in response to important issues, as well as our corporate structure for managing environmental issues.

The Shachihata Group **recognises social issues the Shachihata Group must help to resolve** as well as **risks and opportunities with which the Shachihata Group must engage over the course of business**, within the business activities of the group throughout its worldwide value chain, from upstream to downstream. We will continue to ensure the sustainability of the entire corporate group by enhancing our response throughout the entire value chain.



Editing policy

This report was published to provide information in a sincere and easy-to-understand manner, with regard to Shachihata initiatives for helping to realise a sustainable society. We welcome your feedback on this report and our initiatives. We hope you will read through this and provide your comments and feedback.

Guidelines used as reference

Ministry of the Environment, "Environmental Reporting Guidelines 2018"

- Applicable scope
Shachihata Inc., Shachihata Techno Inc. and Shachihata Business and Customer Support Inc.
- Applicable period
FY2023 (1 July 2023 to 30 June 2024)
- Published
December 2024
- Previous report
December 2023 ("Shachihata Environmental Report 2023")
- Next report
Planned for March 2027

Responding to the demands of our users: Providing “the value of the sign” and creating new markets



President **Masayoshi Funahashi**

Shachihata has committed to manufacture in an environmentally friendly manner.

When our company was founded in 1925 we developed and manufactured a type of ink that absorbs moisture from the air, for use in “Mannen Stamp Pad” that can be used for many years. Our vermilion stamp pads and Xstamper products can also be refilled and used for many years. All of our products still inherit the spirit of manufacturing reusable products.

Efforts to tackle the global issue of climate change are now underway all over the world. During COP28 held in November 2023, members recognized the fact that greenhouse gas emissions must peak out by 2025 in order to achieve the 1.5°C goal of the Paris Agreement, and agreed to accelerate efforts to move away from the use of fossil fuels. Japan also indicated that it would accelerate efforts toward decarbonization, with the realization that what is done by 2030 will be critically important.

Shachihata and affiliated companies continue to implement various decarbonization measures, such as introducing solar power at factories and switching to renewable energy. We also continue to introduce the use of biomass plastic material, with the goal of reducing CO₂ over product life cycles.

With regard to preserving biodiversity, we have been working to exterminate invasive

species and preserve “Biotope Nagaoka” in Inazawa City, which has been designated as a nature coexistence site by the Ministry of the Environment. In recognition of our efforts, we have also been certified as an “Aichi Biodiversity Certified Company”.

We also participate in “Kagayake Aichi Sustainability Laboratory,” a collaborative project between industry, academia, and government, and help support university students who will take leading roles in shaping the future of Aichi Prefecture to take continuous eco-action with a global perspective.

We continue to reduce waste, water resource, and chemical substance emissions (PRTR substances), as a means of reducing our environmental burden. As a manufacturer of inks that handles chemical substances, we will continue to comply with laws, regulations, and standards as we engage in efforts for our stakeholders that keep the environment and safety in mind. We will accelerate our efforts to contribute to SDGs and society as a member of a recycling-based society.

We contribute to society through our products, and also strive to protect the environment. We will continue these efforts as Shachihata approaches its 100th anniversary and we build long-lasting relationships as a recycling partner who is committed to saving the environment. We hope to have your support.

Shachihata evaluates the impact of its business on society after identifying social issues. We identify several key issues (materialities) based on two factors: stakeholder interest/impact and importance for Shachihata. These issues are included in our strategic management plan as environmental focus topics. We set goals for each topic and work to achieve them.

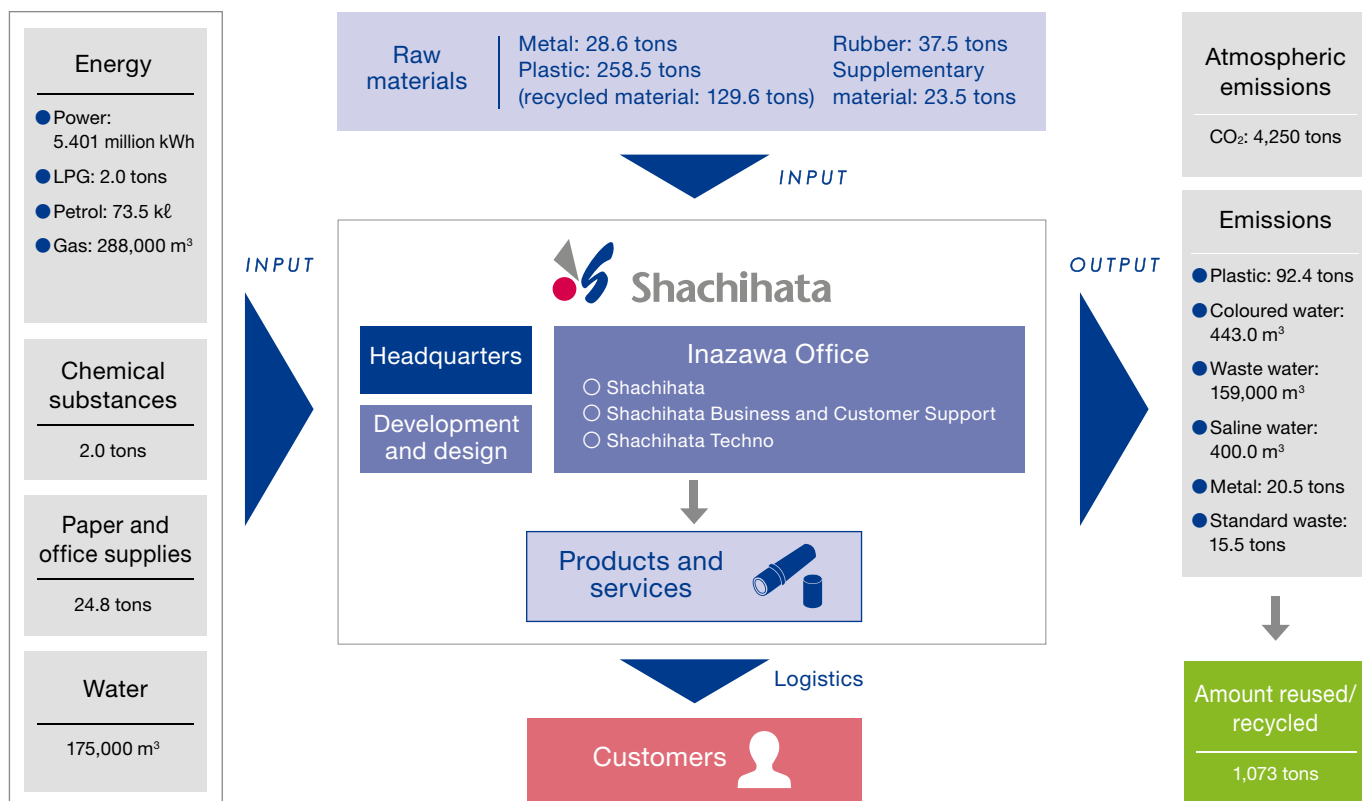
Five key environmental issues

- 01 | Recognise environmental issues as the social responsibilities of the company, and aim to help realise a low-carbon society.
- 02 | Help to preserve the environment by providing environmentally friendly products and services with a low environmental impact.
- 03 | Seek methods that are best for the environment, and aim to reduce emissions to zero.
- 04 | Co-exist with the environment through means such as managing chemical substances.
- 05 | Expand company activities in a manner trusted by customers, the supply chain, and employees.

Environmental activity highlights

	2019	2020	2021	2022	2023	
CO ₂ emissions (tons)	5,019	4,867	4,651	4,643	4,250	
Total waste emissions (tons)	1,121	939	951	1,015	1,094	
Waste final disposal amount (tons)	17	18	149	103	20	
Total waste recycling (including standard waste) (%)	98	98	84	90	98	
Reworked material usage ratio	Raw material plastic (%)	52	60	40	57	50
	Cleaning alcohol (%)	100	100	100	100	100
Green product sales ratio (%)	56	38	44	40	40	
Amount of PRTR Act chemical substances handled per year (tons)	Ethylene glycol monomethyl ether	0.0	0.0	0.0	0.0	0.0
	Ethylene glycol monoethyl ether	0.0	0.0	0.0	0.0	0.0
	Xylene	0,274	0.290	0.381	0.280	0.280

FY2023 Shachihata material balance (INPUT-OUTPUT diagram)



Totals include: Headquarters, Inazawa Office, Sales Office, Logistics Centre

We continue to engage in company-wide environmental preservation to achieve co-existence and in harmony with the environment.

Background and history

Shachihata has from its founding continued to deliver high quality products that can be used for many years. Our products can be refilled with ink and reused, and this concept of “long life quality” can help us save resources. In order to manage the quality of our products under a global standard, Amazuka Factory obtained ISO9002 quality certification in 1993. We obtained the same certification for our production headquarters, development business, and Shachihata Malaysia, and now have obtained ISO9001 certification. Our production headquarters (Inazawa Factory) obtained ISO14001 environmental management certification in 2000. As members of a global society, each of our employees is also engaged in environment preservation efforts.

Environmental policy

Environmental Charter

As an enterprise that enriches people’s daily lives and culture, Shachihata regards environmental preservation as a corporate responsibility and is dedicated to the realisation of a low-carbon society. We also seek to provide environmentally friendly products and services with a low impact on the environment in line with its basic philosophy of balancing the needs of the environment with corporate activities.

Guiding Principles

- ① We shall seek to create products that enrich people’s lives and culture while finding the optimal way to manufacture them from the standpoint of the preservation of the global environment.
- ② We shall make our environmental activities a management priority and encourage all employees to do their utmost to support these efforts.
- ③ We shall set our own standards for eco action and take steps to prevent the further destruction of the environment. In addition to adhering to relevant laws, regulations and other requirements.
- ④ We shall undertake periodic reviews of our environmental practices and standards with the aim of sustaining progress made in preserving the environment.
- ⑤ Steps shall be taken to make our environmental policies known not only to all employees but the general public as well with the goal of cultivating a shared understanding among all.

Masayoshi Funahashi
President

Corporate philosophy

Delivering the “Convenience”, “Genuine Pleasure” and “Trust & Safety” required by society, all over the world

Our mission is to deliver the values of “Convenience”, “Genuine Pleasure”, “Trust and Safety” to the wider society, even in these changing times. In our role as a manufacturer, we have planned, developed and produced top quality products, and have provided value to customers through distributing stationery and stamp products. We will work more closely with our users and provide the kind of products and services required by society, with complete confidence and conviction – all over the world.

Gratitude

We are always very aware that we are supported by stakeholders and we will always show our gratitude through our actions.

User’s Perspective

We always act from the user’s point of view in order live up to their trust and expectations.

Challenge

We continue to challenge ourselves without fear of failure, learn from our process and results and apply what we have learnt toward future efforts.

Autonomy

We value actions based upon our ideas and decisions.

Diversity

We recognize differences in individual values, and value feelings of mutual respect.

Environmental management system

- Company-wide: We engage in environment preservation efforts that include our headquarters along with factories and sales offices.
- Inazawa Office (production headquarters): Obtained ISO14001 certification in September 2000.



Inazawa Factory

Factory overview

Location: 37 Kowashinmei-cho, Inazawa City, 492-8102
Site area: 16,400 m²
Floor area: 13,900 m²
Employees: 371 (as of March 2024)

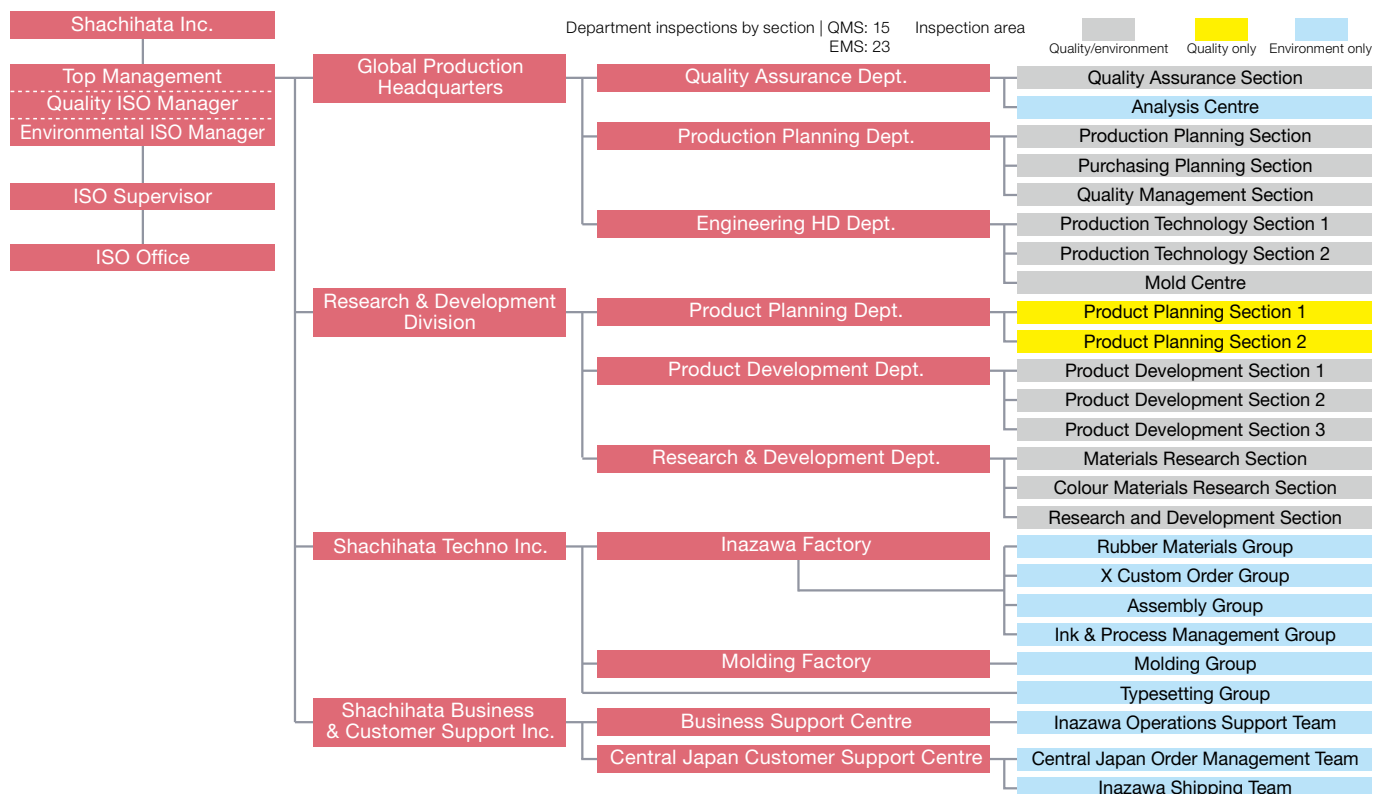
Environmental management promotion organisation

The Shachihata Group has established the “Environmental Administration Committee” with the Environmental Manager as chairperson. The committee sets environmental goals, monitors progress, works toward increasing the environmental performance of the entire group, and is engaged in helping resolve other environmental issues.

Climate change and other important issues for management are reported to the board of directors. The board of directors supervises reported environmental issues through engaging in discussion. Specialized committees

have also been established in each business company and group company, in order to promote activities within each individual company.

ISO9001/ISO14001 management system organisation chart (as of July 2024)

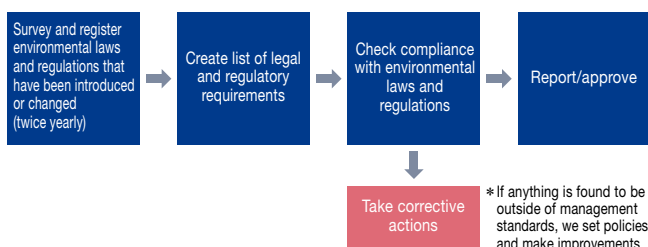


Environment audits

Internal environment audits are conducted yearly under the instruction of the office. These audits are used to make continual improvements through confirming the validity and legal compliance of management systems, confirming progress of management programmes and taking corrective action. External environment inspections are also conducted yearly by a third-party inspector in order to maintain ISO14001 certification. Our inspection result indicated that we “continue to comply with ISO14001 requirements and are attempting to make continual improvements”.

Compliance with laws and regulations

Environmental law monitoring system



We have established the above environmental law monitoring system so that we can quickly make corrections when necessary. During FY2023, we had no violations, accidents or lawsuits with regard to environmental laws and regulations. Shachihata is responsible for comprehensively managing the risks of the entire group, based on its “basic policy of building internal control systems”. Shachihata holds “Environmental Administration Meetings” with the Environmental Manager as chairperson, in order to enhance information gathering and management, and to reduce the frequency and impact of risks. Our executive officers strive to recognise risks, to confirm and evaluate risks as needed with the appropriate corporate

structure and to discuss and determine policies for handling these risks, even in managing risks related to business activities, ethics and legal compliance, financial reporting and information disclosure, and in ESG risks such as climate change that have become increasingly crucial in managing corporate risks in recent years. Our board of directors receives reports in order to monitor important Shachihata Group ESG risks.

Risk management

In order to promote risk management, our supervisors control as risk management promotion supervisors and are responsible for the risk management of the entire Shachihata Group. This involves administering the risk management organisation based on our annual emergency drill planning and implementation cycle. In order to accomplish organisational goals and objectives, each department supervisor performs risk management duties including analysing and evaluating individual risks, establishing and implementing annual response plans, sharing information on organisational risk management, providing training and raising awareness.

In addition to emergency drills conducted based on ISO14001, we have also implemented measures to prevent sludge from escaping underground coloured water drainage tanks, to improve waste oil treatment and to help prevent gas leakage from the top of hydrochloric acid tanks.

Environmental training

We conduct variety of training sessions in order to maintain ISO14001 certification. Some examples include annual training for new recruits, management programme training, emergency training and interdepartmental training on topics such as environmental work equipment and processes. We also held environment training sessions as needed on topics such as handling chemicals and hazardous substances, in order to raise the environmental awareness of every single employee. We also conduct training for internal auditors and employees handling environmental equipment, for certified employees.

We continue to develop long life and high quality products that are environmentally friendly.

Since our founding, we have emphasised the importance of manufacturing reusable products. We continue to develop all of our products with this in mind.

In addition to manufacturing products that offer high quality and high durability, we continue our efforts toward developing green products that are environmentally friendly in terms of material safety, recyclability, and more.



Applying life cycle assessment (LCA) to steadily reduce our impact on the environment

A life cycle assessment (LCA) is a means of comprehensively evaluating the environmental impact of stationery throughout all related processes from raw material procurement to production, distribution, usage and disposal. We conduct an LCA to evaluate the environmental impact at each stage.

During the 2023 fiscal year, we participated in the “Product Carbon Footprint Calculation Rule Formulation Support Project for GX Promotion” run by the Ministry of Economy, Trade and Industry. As a part of this project, we formulated rules for the stationery industry for calculating product carbon footprints, with

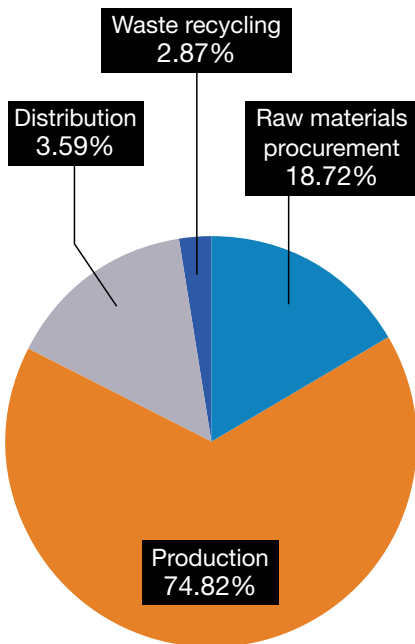
the goal of establishing advanced case studies to contribute toward reducing CO₂ emissions throughout the entire supply chain. We then used these rules to calculate the CO₂ emissions of writing implements.

During the 2024 fiscal year, we are participating in the “Product/Service Carbon Footprint Model Project” run by the Ministry of the Environment, with the goal of establishing consistent rules for the stationery industry on indicating product information.

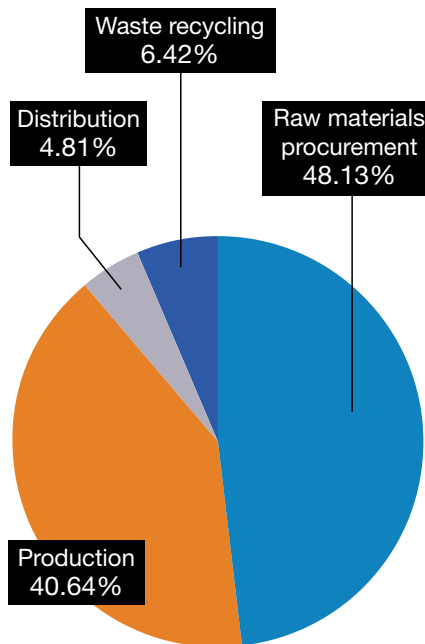
Applying life cycle assessment to steadily reduce our impact on the environment



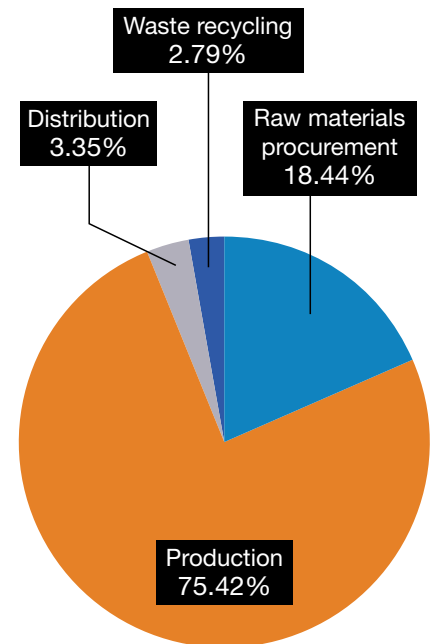
ARTLINE
ELECTRICIANS MARKER



ARTLINE
70 PERMANENT MARKER



ARTLINE
200 FINELINER 0.4MM



Shachihata implements what it can to help prevent global warming.

In order to reduce its greenhouse gas emissions, Shachihata continues to implement various measures throughout the entire group, such as improving energy efficiency at production sites, introducing renewable energy, using energy-saving devices and conserving energy at office sites and improving logistics efficiency. We also continue to promote effective policies to help prevent global warming throughout our entire supply chain.

Total greenhouse gas emissions for all group companies in Japan

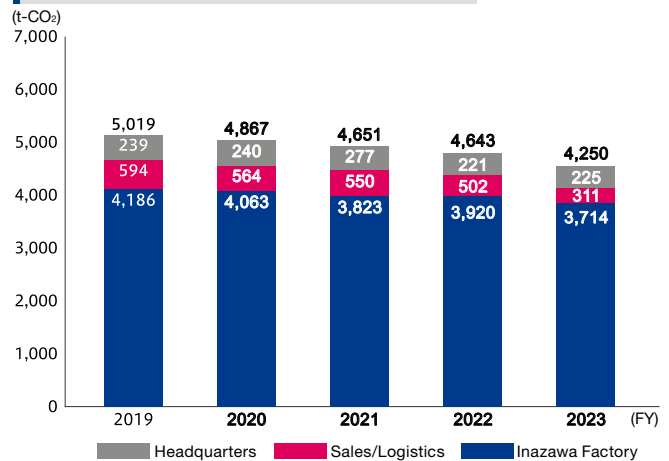
Shachihata recognises the importance of determining total greenhouse gas emissions for all group companies in Japan in order to help realise a low-carbon society, and began calculating our total greenhouse gas emissions in 2000.

We will continue to use and develop products that help to reduce emissions during the materials procurement phase (in which a large amount of greenhouse gases are emitted), in order to help reduce greenhouse gas emissions.

CO₂ emissions

CO₂ emissions from all Shachihata companies in Japan totalled 4,250 tons in FY2023 —down 393 tons from 4,643 tons in FY2022. This was due to the decrease in emissions from Inazawa Factory in FY2023. We will continue our efforts to further reduce power consumption at our production factories. We will also continue to reduce emissions by measuring CO₂ emissions from locations other than production sites (including our Headquarters, other sales offices and indirect departments) and by reducing energy consumption, in response to the Energy Saving Act.

CO₂ emission transitions (Shachihata Japan)

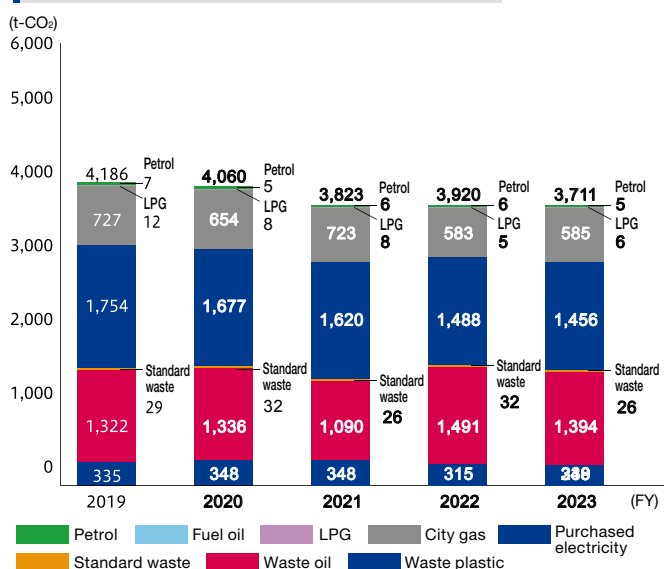


CO₂ emissions by energy type

Our breakdown by energy type of CO₂ emissions during FY2023 in Inazawa Factory revealed 1,456 tons of CO₂ due to energy used, 1,394 tons of waste oil-derived CO₂, 585 tons of CO₂ due to burning city gas and 239 tons of CO₂ due to waste plastic.

We also measured the amount of CO₂ thought to have been emitted due to standard waste and industrial waste (oil and plastic) incinerated by an external contractor responsible for final disposal. We recognise that it is our obligation to reduce this, and we continue to promote initiatives toward that end.

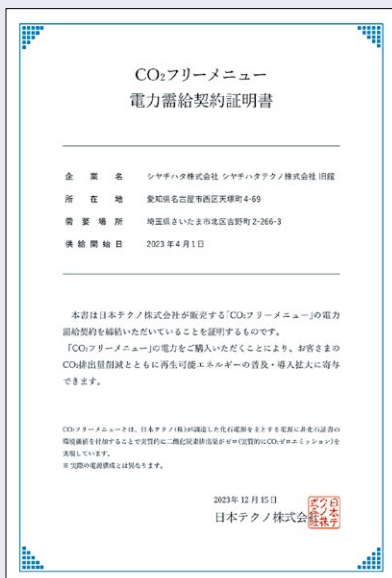
CO₂ missions by energy type (Inazawa Factory)



Preventing global warming

Shachihata promotes efforts to prevent global warming in its production division and indirect division.
We are attempting to do what we can to help prevent global warming.

Start of procuring CO₂-free power



We began procuring "CO₂-free power" at our Inazawa Factory in October 2021. A portion of the power used at the factory has been replaced with CO₂-free power.

"CO₂-free power" refers to a system under which power companies sell CO₂-free power generated from renewable energy sources such as water, wind or solar energy. This is more expensive, but companies that procure CO₂-free energy can subtract an equal amount of CO₂ emissions when reporting to the government. In effect, this allows a company to reduce its CO₂ emissions.

Japan currently aims to reduce CO₂ by 46% from FY 2013 to 2030, and to eliminate CO₂ completely (attain carbon neutrality) by 2050.

We are committed to reducing CO₂ emissions including from our Inazawa Factory, and procuring CO₂-free energy is an important first step toward achieving this.

We also began procuring "CO₂-free power" at our Saitama Factory in April 2023.

Efforts at Shachihata Techno factories

We finished replacing the laser machines that were being used at our Saitama Factory in December 2022, and we also stopped using chillers and reduced use of compressors. This has reduced our power consumption by 45,000 kWh per year, and has also reduced our annual CO₂ emissions by around 18t.

We also replaced the compressors and laser machines that were being used at our Inazawa Factory, reducing emissions by 9t and 19t, respectively.



Building recycling-based production systems to eliminate emissions.

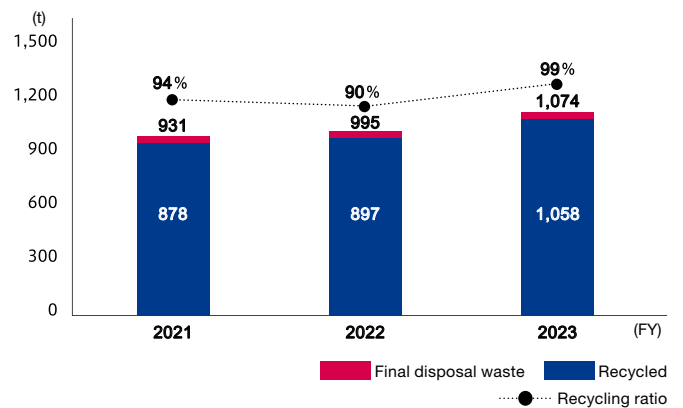
As described by the “Fundamental Plan for Establishing a Sound Material-Cycle Society”, Shachihata promotes five activities to appropriately reuse and dispose of waste: controlling the amount of waste generated, reusing, recycling, recovering heat and ensuring waste is properly disposed.

At Inazawa Factory, we attempt to reduce waste generation by separating waste and by promoting initiatives to increase waste recycling, such as reusing or recycling waste or recovering heat.

Waste generation

The total amount of waste generated at Inazawa Factory during 2023 FY was 1,074t—up 79t from 2022 FY. This was due to the increased use of saline water from Inazawa Factory in 2023 FY. We continue our efforts to reduce the final disposal of waste, by promoting the active recycling of waste and its safe return to nature.

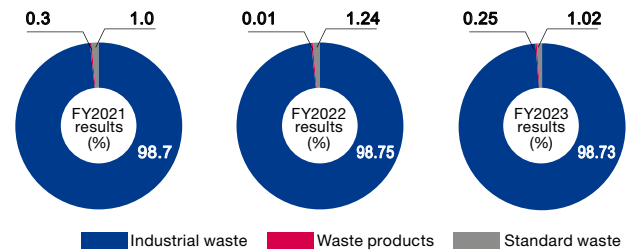
Waste generation transitions (Inazawa Factory)



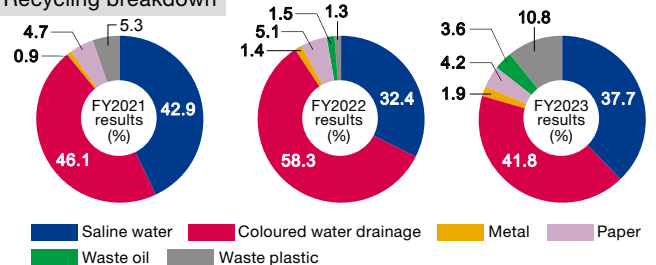
Recycling

Shachihata has continued to install recycling systems both inside and outside the company, with the ultimate goal of eliminating emissions. In Inazawa Factory, saline water and coloured water account for 77% of total waste generated. We installed recycling systems for these substances and our total recycling ratio during FY2023 was 99%. Going forward, we will work with waste disposal companies to recycle waste plastic, rubber and products, as we continue to strive to maintain a high recycling ratio.

Waste breakdown



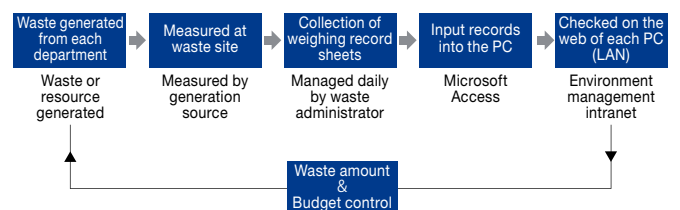
Recycling breakdown



Waste management system

Waste management systems are crucial for reducing the amount of waste that is generated and increasing the amount that is recycled. Shachihata has built a management system capable of monitoring waste generated in Inazawa Factory in real-time. This allows waste generation to be checked at any time on the intranet.

Waste management system flowchart (Inazawa Factory)



Marine plastic is a truly important issue as this waste could have a negative impact on marine ecosystems and even on human health. We continue our efforts to reduce the use of plastic throughout our business activities.

Formulation of design guidelines for stationery and office supplies that contain plastic

Enacted in April 2022, the Plastic Resource Circulation Act provides guidelines on designing products made from plastic, in order to promote the recycling of plastic resources. These guidelines specify “the establishment of design standards and design guidelines for each product category by industry associations, etc.” as a matter that manufacturers of products made from plastic should address and take into consideration.

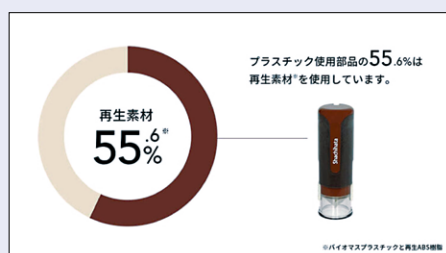
■ Matters for manufacturers of products made from plastic to address and keep in mind in designing products made from plastic

- (1) Structure (reduce weight, simplify packaging, increase product usage/life, etc.)
- (2) Materials (use other materials instead of plastic, use materials that can easily be recycled and reused, etc.)
- (3) Product life cycle evaluation
- (4) Information sharing and building of organizations/systems
- (5) Collaboration with related parties
- (6) Design standardization for each product category, establishment of and compliance with design guidelines, etc.
 - Standardize designs for each product category in industry associations, etc., and establish design guidelines, etc.
 - If designs for each product category have already been standardized in industry organizations or if design guidelines or other standards have already been established, strive to comply with applicable guidelines and other standards

Shachihata participates in the “Plastic Product Design Guideline Establishment Subcommittee” held by the All Japan Stationery Association. The All Japan Stationery Association establishes and published design guidelines for stationery and office supplies made from plastic, as a means of complying with the Plastic Resource Circulation Act.

Sustainable “Capless 9 BIOMAS PLASTIC” made from waste material

Efforts aimed at sustainability have been gaining attention all over the world. This is true also for Shachihata. Out of consideration for the environment, we released versions of our popular “Capless 9” products containing biomass plastic recycled from waste material. They provide the same performance as our conventional Capless 9 products.



A company trusted by society, our customers and our employees.

Considerable importance has been placed on corporate social responsibility in both Japan and the rest of the world. Companies are being asked to fulfil their responsibilities in terms of the economy, the environment and society. Shachihata continues to operate in a manner trusted by society, our customers and our employees, based on a policy of environmentally friendly manufacturing.

Efforts to save the endangered Japanese rice fish

“Biotope Nagaoka” is a biotope for Japanese rice fish, located in Sobue-cho in Inazawa City. The killifish arrive naturally to this biotope when agricultural water flows from Kiso River into the area. There are currently several thousand killifish living there.

This biotope environment is maintained by “Longhill Net”, a civic activity organisation.

Consisting of seven members, this organisation maintains the environment through such means as managing biotope water and cutting grass. It also runs the “Support a Killifish Programme” as a means of environmental education. In August of each year, the organisation holds “Learn about the Inhabitants of the Biotope”, in which local residents are provided with the opportunity to help preserve biodiversity.

Since 2019, Shachihata has participated as a volunteer in Biotope Nagaoka’s maintenance activities and in the “Learn about the Inhabitants of the Biotope” event. We decided to participate due to the “Biodiversity Matching Sheet” programme run by the Environment Bureau Natural Environment Division of Aichi Prefecture. This programme connects local activity organisations with companies, schools and governments in order to promote collaboration on biodiversity preservation activities being conducted in areas near companies.

Biotope Nagaoka’s work was selected in 2020 as an “Aichi/Nagoya Biodiversity Good Practice”, and the mayor of Inazawa City visited our activities, which have gained increased recognition as a biodiversity preservation activity firmly rooted in the region. We will continue to engage in regional contribution activities.

“Biotope Nagaoka” was registered to OECM international database!

“Biotope Nagaoka”, an urban park located in Sobue-cho Makai and managed by NPO Longhill Net, has been certified by the Ministry of the Environment as a nature coexistence site in recognition of the biodiversity preservation activities conducted at the site, including clean-up, lake management, preservation of wildlife including Japanese rice fish (an endangered species), and events for observing rare species.

In August 2024, the site was registered to an international database for other effective area-based conservation measures (OECM).



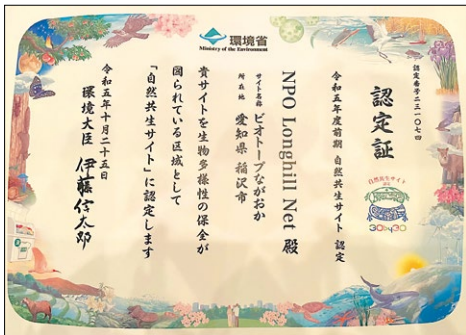
Biotope Nagaoka certified as nature coexistence site

Biotope Nagaoka, a collaborative project in which Shachihata participates, was certified by the Ministry of the Environment as a “nature coexistence site”. The site was certified in recognition of our efforts to maintain a biotope in Inazawa City and preserve rare species there. We are currently working with NPO Longhill Net on efforts to preserve biodiversity.

The “nature coexistence site” system is used by the government to recognize regions in which private organizations aim to preserve biodiversity. It is one of the “30 by 30” initiatives launched by the government based on the “2030 Nature Compact” agreed upon during the G7 Summit in June 2021.

The system was launched this fiscal year, and Biotope Nagaoka was selected as one of the first nature coexistence sites.

We will continue to collaborate and to play a part in the ecosystem network by maintaining a high-quality biotope, as we aim to improve the biodiversity of Inazawa City and contribute to realizing a sustainable society.



Certified as an Aichi Biodiversity Company!

Shachihata was recently certified as an Aichi Biodiversity Certified Company.

Established in 2021 in Aichi Prefecture, the “Aichi Biodiversity Certified Company System” is used by the prefecture to certify companies engaged in praiseworthy efforts as an incentive for companies to become involved in environmental preservation. It is based on two strategies developed to promote biodiversity preservation policies (“Aichi Biodiversity Strategy 2020” and “Aichi Biodiversity Strategy 2030”).

Shachihata was certified mainly for its efforts conducted together with NPO Longhill Net in Inazawa City since 2019 in preserving rare Japanese rice fish species living in Biotope Nagaoka (Sobue-cho, Inazawa City). We are also working with the local governments of Konan City and Oguchi Town and other companies (including Rinnai and TOKAI RIKA) to exterminate tickweed, an invasive species.

We will continue to promote environment preservation efforts toward realizing a sustainable society.





Protecting the air and water in local environments through the responsible management of chemical substances.

There is increasing concern for hazardous chemical substances that impact the natural environment and human health, all over the world.

Japan, the EU and the U.S. have taken the lead in establishing laws and regulations on the management and use of hazardous chemical substances, and Shachihata is actively engaged in chemical substance management—beginning with compliance with the PRTR Act*.

* "Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof"

Compliance with the PRTR Act

Shachihata has a basic policy of not using hazardous chemical substances whenever possible and of striving to reduce or replace such substances whenever possible.

In FY2009, Shachihata TAT comprehensively reviewed and revised its ink mixture, and changed the plasticizer used in Xstamper rubber. In FY2023, the amount handled of some chemical substances exceeded 1 t, so we were required to submit a PRTR Act report.

Chemical substance generation/transport

Substance		Pilot survey (Sept. 2000)	FY2020	FY2021	FY2022	FY2023
Ethylene glycol monomethyl ether	Handled per year (kg)	3,299.6	(0.0)	(0.0)	(0.0)	(0.0)
	Amount generated/transported (kg)	59.6	—	—	—	—
Ethylene glycol monoethyl ether	Handled per year (kg)	6,591.6	(0.0)	(0.0)	(0.0)	(0.0)
	Amount generated/transported (kg)	310	—	—	—	—
Di-n-butyl phthalate	Handled per year (kg)	2,053.6	(0.0)	(0.0)	(0.0)	(0.0)
	Amount generated/transported (kg)	1,203.6	—	—	—	—
Xylene	Handled per year (kg)	—	(290.5)	(381.0)	(280.8)	(303.6)
	Amount generated/transported (kg)	—	—	—	—	—
Diethylene glycol monobutyl ether	Handled per year (kg)	—	—	—	—	(1,102.4)
	Amount generated/transported (kg)	—	—	—	—	14.3

* Numbers in parentheses: No report required —: 1 ton or less handled/generated/transported

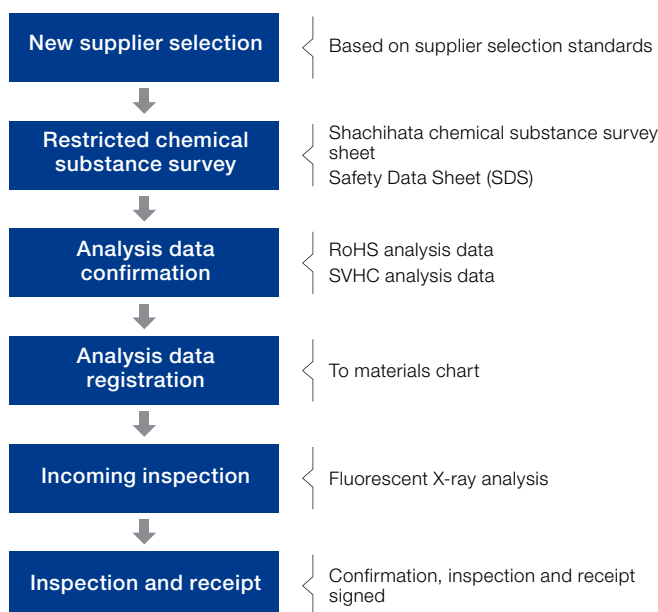
Chemical substance management system promotion

Chemical substances are used to improve performance and ensure quality in products. However, because some substances may have a negative impact on the environment during use or disposal, regulations have been established at national and regional levels. The Shachihata Group has established the Analysis Centre within the Quality Assurance Dept., in order to strictly manage these chemical substances and attempt to continuously reduce our usage of these substances. We work with our partners while using the "Shachihata Green Procurement System" to manage chemical substance data and promote switching to alternate substances.

Since FY2019 we have continued in all of our factories to comply with the European "RoHS Directive" which generally prohibits the use of 10 restricted substances*1. We request that all suppliers conduct surveys to identify any restricted chemical substances found in the materials or supplementary materials contained in parts, and monitor the situation. Through instituting this system to prevent such substances from entering the supply chain, we have established a means to ensure that restricted chemical substances are not included in products.

*1: Cadmium, lead, mercury, hexavalent chromium, polybrominated biphenyls, polybrominated diphenyl ethers, bis(2-ethylhexyl) phthalate, dibutyl phthalate, benzyl butyl phthalate and diisobutyl phthalate

Purchased material chemical substance management flowchart (example)



Shachihata has obtained ISO/IEC 17025 (testing laboratories) certification.

ISO/IEC 17025 (testing laboratories)

ISO/IEC 17025 is an international certification standard for testing and calibration when obtaining testing results. Any testing laboratory taking measurements covered by this standard must satisfy all necessary requirements, such as maintaining technical and quality control, and providing valid technical evidence.

When certified under ISO/IEC 17025, the logos of the ISO/IEC 17025 accreditation body (in this case, the Japan Accreditation Board) and ILAC-MRA (International Laboratory Accreditation Cooperation Mutual Recognition Arrangement) can be indicated on reports. This certification has been widely adopted throughout United States, Europe, and Asia, and testing certificates are accepted internationally.

Shachihata has obtained ISO/IEC 17025 (testing laboratories) certification for the analysis of ten specified hazardous substances regulated by the RoHS Directive (cadmium, lead, mercury, hexavalent chromium, PBB, PBDE, DEHP, BBP, DBP and DIBP), allowing us to handle these specified hazardous substances internally.

*PBB, PBDE: Brominated flame retardants

*DEHP, BBP, DBP, DIBP: Phthalate esters



We are working to reduce our environmental impact in the procurement and logistics stages.

We promote the use of reworked products when purchasing raw materials used during production at Inazawa Factory. We also aim to reduce our environmental impact during transport, by including our products with those produced by other companies in the same shipments. Finally, we recommend purchasing products compliant with the Act on Promoting Green Purchasing at our Headquarters and indirect departments.

Green logistics

Our logistics functions for shipping and delivering products are aggregated in the Central Japan Logistics Centre (Ichinomiya City in Aichi Prefecture) and East Japan Logistics Centre (Saitama City in Saitama Prefecture). At these sites, we attempt to streamline operations through such means as simplifying order placement, enhancing form processing capability, accelerating shipments and deliveries and operating appropriate inventory management systems. Most Shachihata products are shipped in small lots, and can be mixed with other shipments to optimize transport.



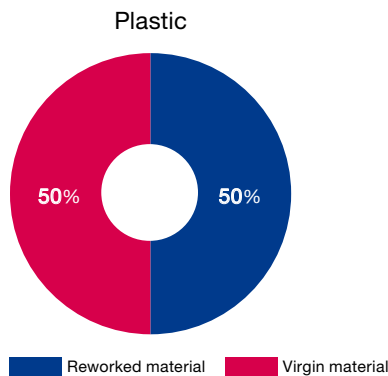
Green procurement

In FY2023, we began actively promoting the purchase of reworked raw material plastic and cleaning isopropyl alcohol, at Inazawa Factory.

129 tons out of the 258 tons of raw material plastic we purchased was reworked material (50% reworked material ratio).

All of our cleaning alcohol is reworked material (100% reworked material ratio). We will continue to make active use of reworked material when purchasing raw materials.

Reworked material usage ratio (FY2023)



Low-emission vehicles

When purchasing or replacing a company vehicle, Shachihata actively promotes the selection of low-emission vehicles. As of the end of FY2023, 100 out of the 101 company vehicles we own are low-emission vehicles (99%).

Low-emission vehicles owned: 100 (total vehicles owned: 101)

2005 regulation 10% decrease	1
2005 regulation 50% decrease	1
2005 regulation 75% decrease	60
2018 regulation 50% decrease	7
2018 regulation 75% decrease	27
2018 standard compliant	4
Not applicable	1
Total	101

We disclose transparent and reliable information, and promote extensive environmental communication.

We take a range of opportunities to engage in environmental communication with our various stakeholders. We also engage in social contribution activities in order to help raise awareness throughout society, including participating in regional beautification activities and environmental education at schools.

Environment/energy education support

In order to raise awareness of environmental issues among a wide range of age groups, Shachihata cooperates in holding environment/energy education training sessions for general consumers and environment/energy classes for children. We will continue to work with individuals involved in educating the next generation of students, in order to promote effective energy education support activities based on regional characteristics.

We will continue to do business while valuing our relationship with stakeholders.

We have been supported by various stakeholders since our founding, and it is thanks to their support that we are who we are today. In addition to complying with legal requirements, we aim to meet the expectations of all.



We conduct surveys to gain the understanding of stakeholders and determine their wants and expectations.

We also value dialogue during daily work, and attempt to communicate each other.

Participation in “Kagayake Aichi Sustainability Laboratory”, a collaborative project between industry, academia, and government

Shachihata participates as a partner company in “Kagayake Aichi Sustainability Laboratory”, a collaborative project between industry, academia, and government launched by Aichi Prefecture with the goal of developing those who will be responsible for our sustainable future.

The opening ceremony for this project was held at the Aichi Prefectural Government Office on June 26, 2024, during which an explanation of the project was given and the governor of Aichi Prefecture provided some words of encouragement.

The “Kagayake Aichi Sustainability Laboratory” project was launched by Aichi Prefecture during FY2015, in order to help support university students who will take leading roles in shaping the future of Aichi Prefecture to take continuous eco-action with a global perspective. University students studying within the prefecture are selected through an open application process to serve as researchers on topics related to environmental initiatives presented by partner companies, and propose solutions following on-site surveys and discussions held with company representatives.

By participating in “Kagayake Aichi Sustainability Laboratory”, Shachihata will help develop those who will be responsible for our sustainable future. For our environmental research topic, we chose “plan sustainable products/services

that provide “the value of the sign”, in order to gain fresh insight from university students in developing solutions. We will also make use of this information for future Shachihata efforts.





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