



ENVIRONMENTAL REPORT 2025

(2024.4 – 2025.3)

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Editorial Statement

Information Disclosure

Denyo Co., Ltd. will use the media shown below to disclose information to all stakeholders, including customers and shareholders about its environmental initiatives aimed at delivering a sustainable society.

【Annual Environmental Report】 【HP】 <https://www.denyo.co.jp>



Reporting Period

Fiscal 2025 (April 2024 to March 2025) and for some content, the periods before and after.

Publication Date

October 2025

Contact

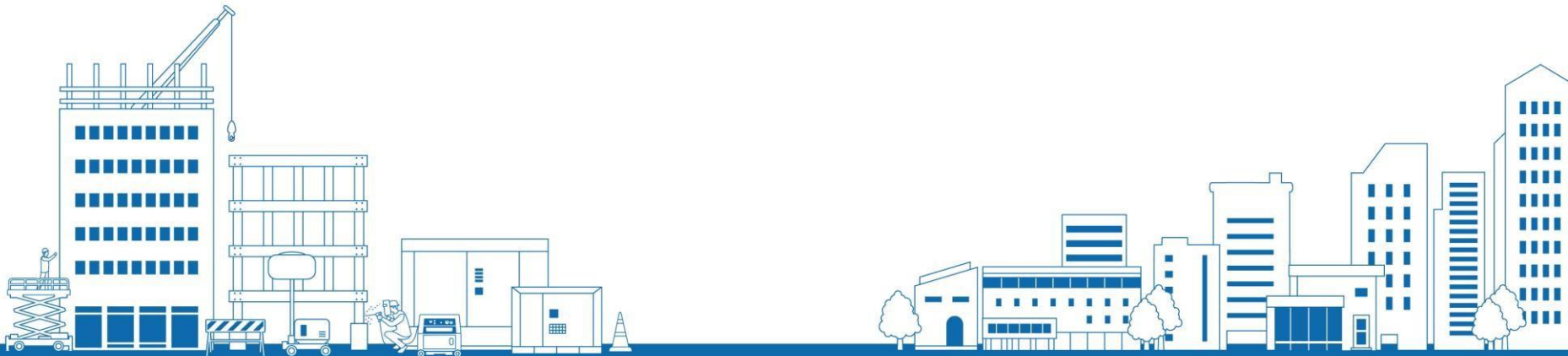
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Disclaimer

This Environmental Report may contain predictions or forecasts about the future. Actual results may vary from forecasts due to a variety of factors.

Management



Message from the President



Thank you very much for reading our Environmental Report.

In recent years, the effects of extreme weather have become more pronounced globally. Initiatives to address climate change as a part of corporate practices are now essential for enhancing corporate value.

The global energy situation remains uncertain due to the ongoing geopolitical risks. This landscape is mostly influenced by the U.S. administration. However, I believe that further efforts will be required to promote the use of renewable energy.

In these circumstances, we are dedicated to implementing initiatives aimed at creating a decarbonized society. This includes the development of a hydrogen single-fuel combustion generator and expanding our range of fuel cell portable power generators. Additionally, we are committed to reducing CO2 emissions by utilizing solar power and other renewable sources of energy in our business operations. As a leading power source company, we will address the challenge of creating a sustainable society and strive to enhance our corporate value.

We appreciate your continued understanding and support.

October 10

Takanori Yoshinaga,
President

A handwritten signature in black ink that reads "T. Yoshinaga".

Environmental Philosophy

As well as contributing to social infrastructure upgrades worldwide through our power source products, Denyo is profoundly aware of its corporate social responsibility to conserve the environment, and tirelessly promotes environmentally sound business activities.



Fukui Plant

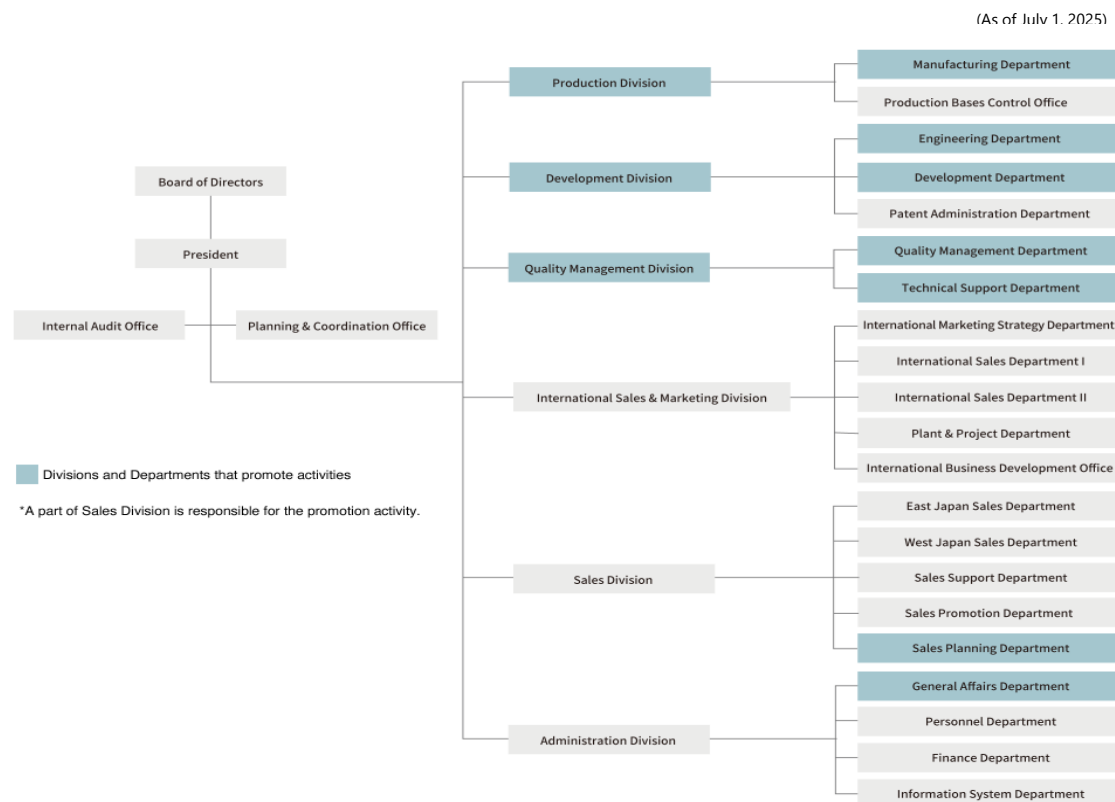
Environmental Policies

1. In our business activities, we strive to prevent pollution and to promote eco-friendly products while seeking ways to maintain a healthy environment by conserving materials and energy, cutting back on solid waste, and reducing odors and noise.
2. We comply with environmental regulations and other agreed requirements, and we respect related demands from society.
3. As well as building a system of management which is based on the ISO14001:2015 to engage with environmental conservation and finding ways to make continual improvements, we set environmental goals and targets, and improve environmental performance by carrying out reviews.
4. As well as documenting the environmental policies to inform employees and everyone who works on behalf of the company, including the requirements of stakeholders, we disclose the information in the public domain on our homepage.
5. We strive to achieve environmental targets by continually improving the effectiveness and efficiency of the process.

Environmental Management Structure

◆ Promotion System

Denyo is carrying out promotion activities aimed at reducing the total environmental impact by the following promotion Dept. intensively.



◆ ISO14001 Certification

Denyo has established an environment management system (EMS) with the president as the system manager and obtained ISO14001:2015 certification. While ensuring smooth operation of the EMS, we evaluate the environmental impact of our business activities, set concrete targets and an annual plan for important issues, and perform environmental load reduction and environmental risk prevention activities through the promotion of resource and energy saving.

Environmental Targets and Achievements

To implement environmental management, we set targets for each fiscal year and carry out evaluations from time to time.

	FY2025 Target	FY2025 Achievements	FY2026 Target
Develop products with high environmental performance	Develop carbon neutral products (Develop at least one line of environmentally friendly products)	Developed two product features for a carbon neutral society.	Develop carbon neutral products (Develop at least one line of environmentally friendly products)
Formation of a recycling-based society	Cut the volume of crude oil equivalent energy consumption per output by 1.28 L/million yen or more compared to FY2024 levels	2.3L/million yen reduction* *Reduced LPG consumption by enhancing the coating process.	Cut the volume of crude oil equivalent energy consumption per output by 0.97 L/million yen or more compared to FY2025 levels
	Cut the volume of industrial waste per output by at least 0.13kg/million yen or more compared to FY2024 levels	0.11kg/million yen reduction	Cut the volume of industrial waste per output by at least 0.10kg/million yen or more compared to FY2025 levels
Contribute to society	• Carry out cleaning on a regular basis at each business facility and schedule maintenance in green belts • Community contribution activities	• Cut grass and weeded in and around plant sites • Cleaned drainage channels and pits • Plant flowers in season and increase planters • Carry out cleaning activities on roads surrounding the premises	• Carry out cleaning on a regular basis at each business facility and schedule maintenance in green belts • Community contribution activities

Overview of Environmental Impact in the Value Chain

Eco-Friendly Production

Denyo strives to reduce its environmental impact by understanding the input and output of materials in its production and other business activities.

Environmental Consciousness in the Product Life Cycle

Through product knowledge lectures and services including inspections performed upon delivery and regular inspections, Denyo strives to reduce its environmental impact through the proper use of our products.

INPUT

Energy (Electricity, Fuel oil, LPG, Diesel, Kerosene, Gasoline)

Main Raw Materials (Iron, Copper)
Water Resources (Water supply, Ground water)

Develop/Design

Procure
materials

Produce

Distribute

Sell

Service

Chemicals (Chemicals Subject to PRTR)
Waste water

Main Products
(Generators, Welders, Compressors)

Solid Waste

Greenhouse Gas (CO₂)

OUTPUT

Environmental Accounting

We quantitatively manage the implementation of our environmental conservation activities through environmental accounting and use the results to ensure efficient and effective environmental conservation activities.

(We use a unique tabulation system for environmental accounting developed while referencing the Environmental Accounting Guidelines 2005 from the Ministry of the Environment.)

Category		Contents	Expenses (thousands of yen)
Business area cost	Pollution prevention cost	Cost of environmental measurements (water quality, odor, vibration, noise, smoke, etc.)	4,552
	Global environmental conservation cost	CFC equipment disposal cost	905
	Resource circulation cost	Waste disposal cost	20,937
Upstream/downstream cost			0
Environmental activities cost		Green maintenance and management costs, environment-related equipment inspection and maintenance costs	7,793
Social activities cost			0
Environmental remediation cost			0
Total			34,187

Environmental risk management

Denyo assumes the environmental risks of a sudden accident or disaster, etc. that may occur during our business activities and implements regular education and training for the purposes of the prevention of, early action against, and mitigation of such situations.

We are confirming the appropriate response and making continuous improvements while looking back on past cases.

◆ The Emergency Response Education and Training

Shiga Plant



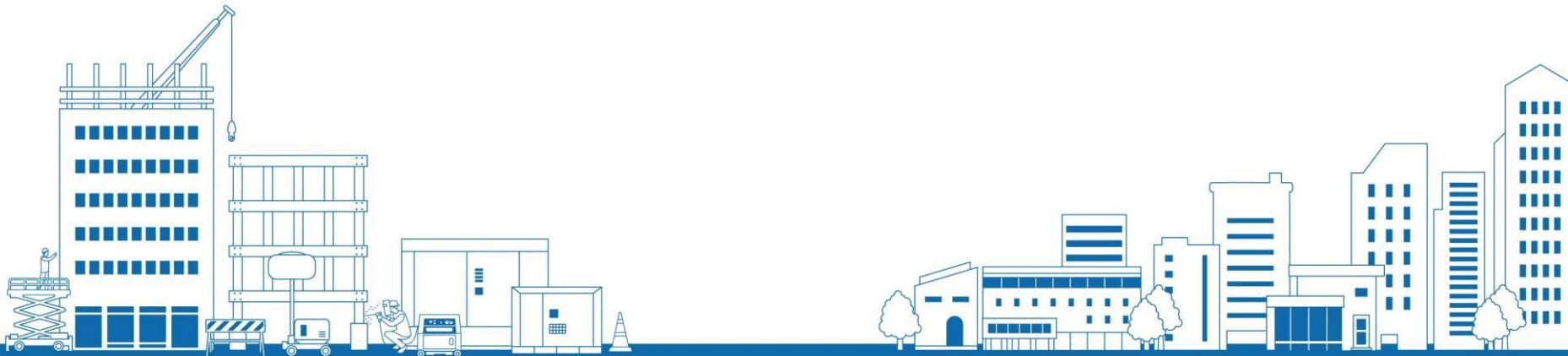
Emergency response training for hazardous substances
(Raised awareness about hazardous material management)



Fire extinguisher training



Eco-Friendly Products



Developing Products with High Environmental Performance

◆ Fuel cell portable power generators 「FCTP-3100」

We have been developing fuel cell portable power generators that utilize hydrogen to effectively reduce CO₂ emissions. Fuel cell portable power generators produce no CO₂ emissions during operation and are much quieter than engine-powered generators.

We plan to begin mass production of the FCTP-7000 model in FY2025. Additionally, we have developed the 3 kVA FCTP-3100 model, in high demand at outdoor event venues, construction sites, and disaster relief locations. We will continue to promote our efforts to achieve carbon neutrality to promptly bring our products to market.



FCTP-3100

◆ aftercooler drain waterless feature

A conventional compressor with an aftercooler produces drain water when cooling compressed air, which needs to be treated. In contrast, an engine compressor with an aftercooler drain waterless feature uses the heat from the engine exhaust to evaporate the drain water, eliminating the need to treat the drain water.

We currently offer four engine compressor models with this feature. We plan to expand our range of compressors and develop environmentally friendly options.



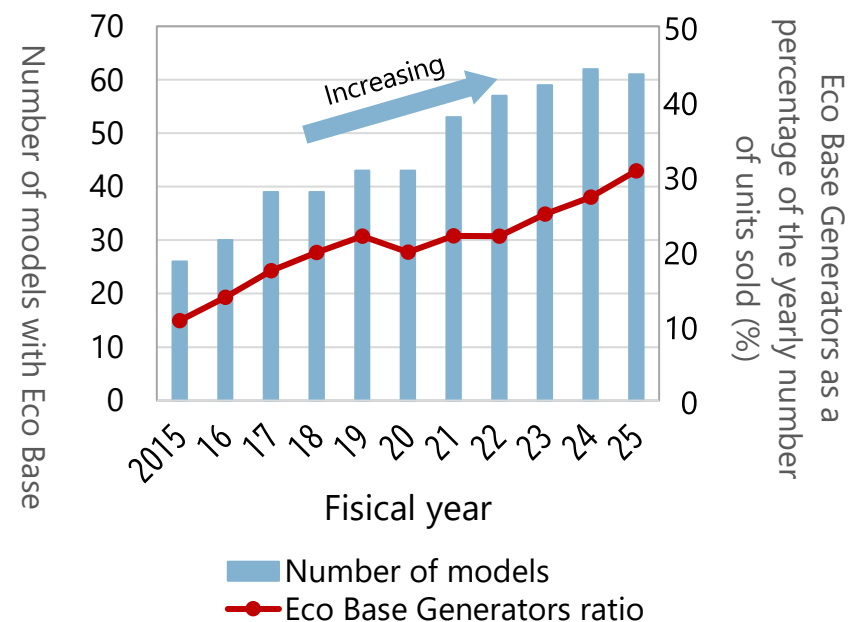
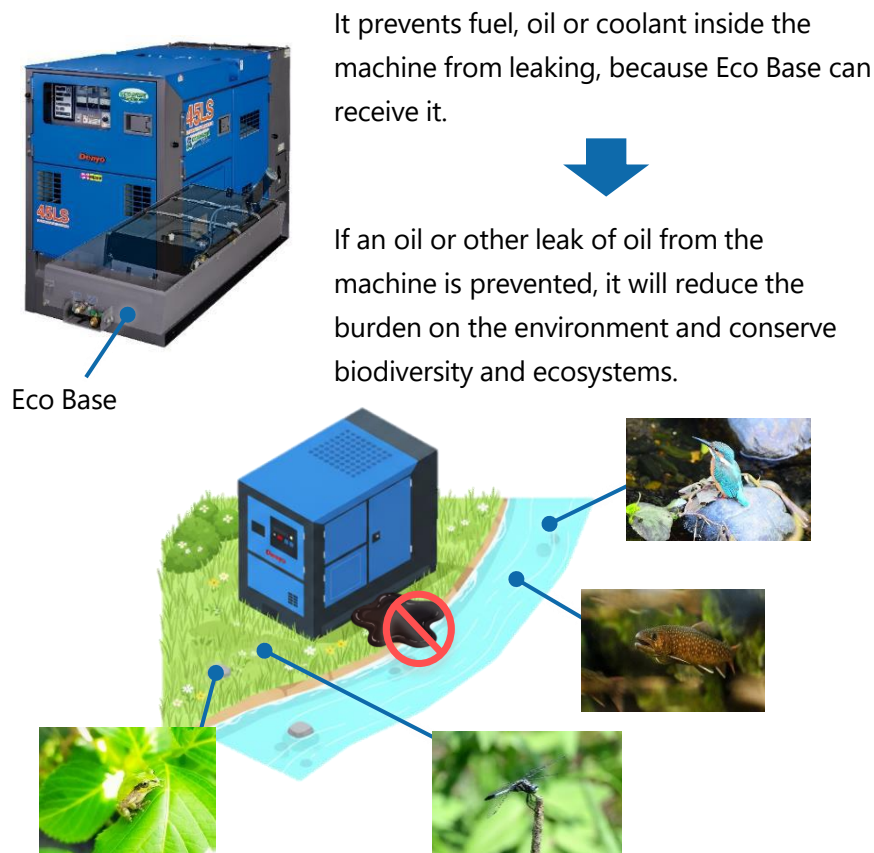
DAS-100LBE-C



DAS-180LBE-C

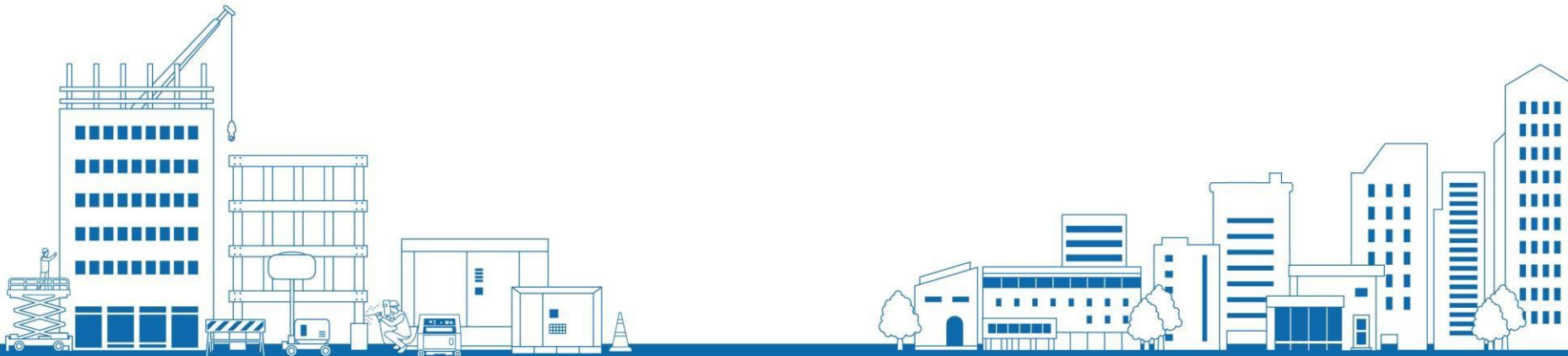
Conservation of biodiversity and ecosystem

Denyo has enhanced its lineup of models incorporating Eco Base, which prevents oil and other leaks from the machine in unexpected situations.



Our customers have selected these models, appreciating the strong lineup of Eco Base models as the market becomes more aware of the environment.

Environmental Consciousness in the Product Life Cycle



After-Sales Service Initiatives

Approximately 90% of CO₂ emissions in the life cycle of construction machinery is generated while the products are being used.

In addition, there is the risk that an unexpected accident during use may cause environmental pollution.

Denyo believes that it is important to promote eco-friendly products and provide after-sales services to ensure users have the correct knowledge to operate our products safely.



Guidance on product maintenance
and use after delivery
(emergency generators)



Training in product knowledge

◆ Training for the service staff of domestic group companies and rental companies

Providing after-sales services requires a variety of skills and knowledge.

We have been working to establish a robust service network that consists of not only our service staff but the staffs of our group companies and rental companies.

After-Sales Service Initiatives



Operation of an installed power generator(Thailand)



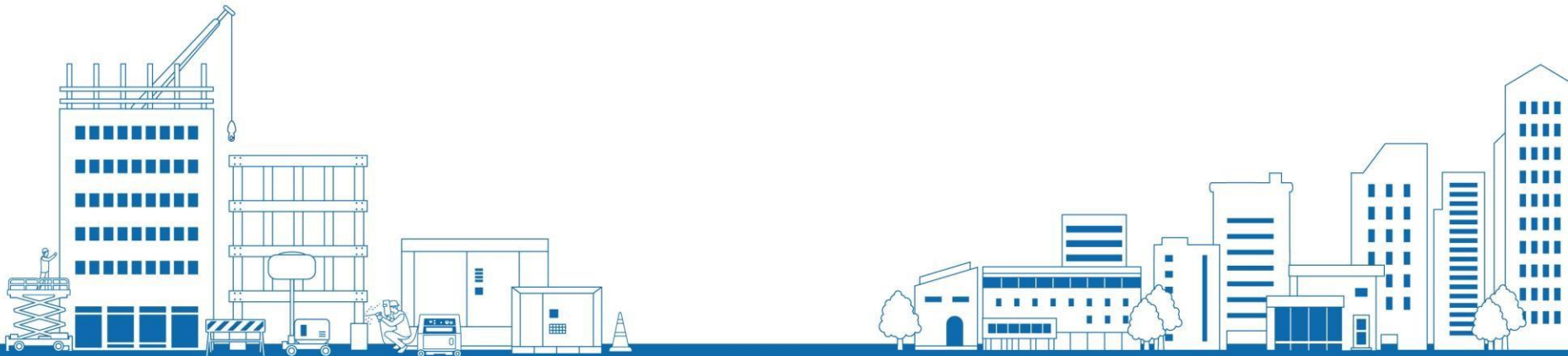
Generator service training (China)

◆ Training sessions for the service staffs of overseas subsidiaries and overseas rental companies

Since our products are used in more than 150 countries worldwide, we have been working to enhance after-sales service programs overseas.

We will continue to provide training to the service staffs of overseas subsidiaries and rental companies while also seeking to build trust-based relationships to increase sales.

Eco-Friendly Production



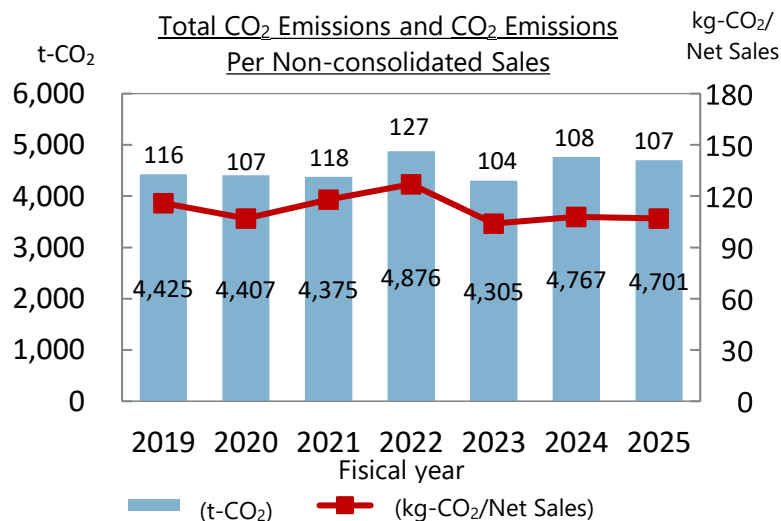
Global Warming Prevention

◆Reduce CO2 Emissions

Denyo endeavors to prevent global warming through initiatives to reduce CO2 emissions generated by its business activities.

CO2 emissions for the 2025 fiscal year totaled 4,701 tons. Denyo decreased its CO2 emissions by 1.4% year on year by improving the coating process. CO2 emissions per net sales fell by 0.9%.

Denyo will continue to reduce CO2 emissions.



Power consumption
(thousand kWh)

5,286

5,137

■ FY2024 ■ FY2025

**Change from
FY2024 -2.8%**

CO₂ emission after
conversion (t)

4,767

4,701

■ FY2024 ■ FY2025

**Change from
FY2024 -1.4%**

CO₂ emissions (kg) /
Non-consolidated sales
(Millions of yen)

108

107

■ FY2024 ■ FY2025

**Change from
FY2024 -0.9%**

Fuel consumption (GJ)

42,903

39,289

■ FY2024 ■ FY2025

**Change from
FY2024 -8.4%**

Net Sales
(Millions of yen)

44,209

43,962

■ FY2024 ■ FY2025

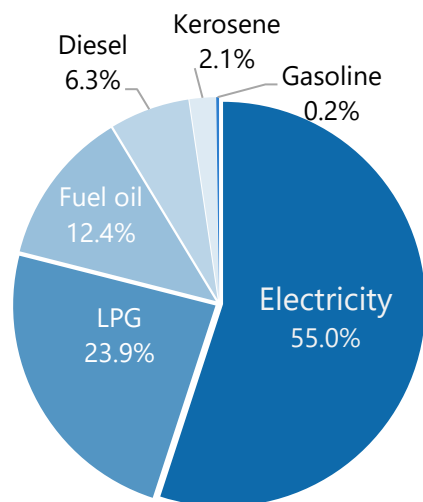
**Change from
FY2024 -0.6%**

Formation of a Recycling-based Society

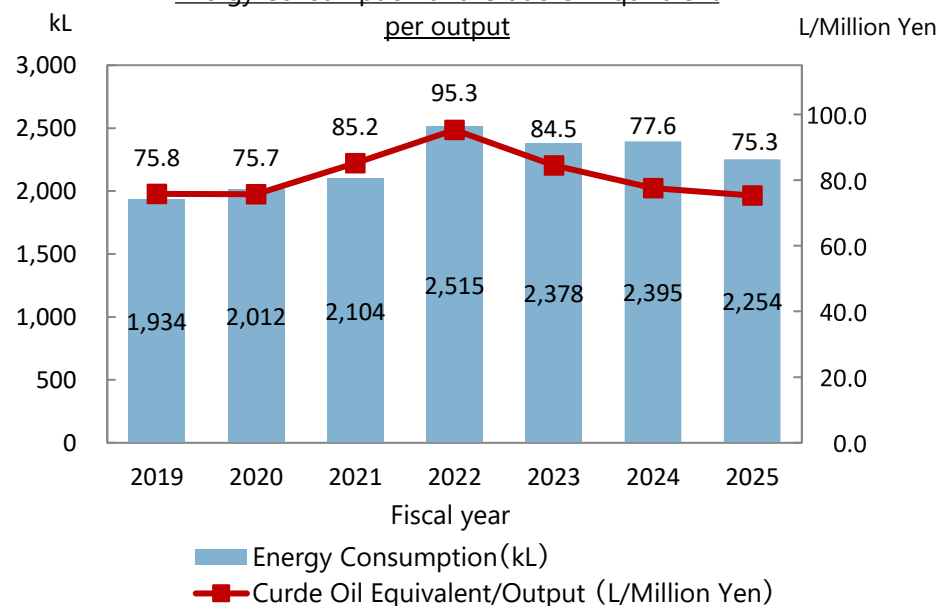
◆ Energy Consumption reduction

The volume of crude oil equivalent energy used per output in FY 2025 was 75.3 L/million yen, which is a decrease of 2.3 L/million yen from the level in the previous year. This is primarily a reflection of a decrease in the LPG consumption of the new coating equipment which is a result of improvements in the coating process. We will continue working to improve by increasing the efficiency of production equipment operations.

Breakdown of Energy Consumption
(Crude Oil Equivalent)



Energy Consumption and Crude Oil Equivalent
per output



Formation of a Recycling-based Society

◆ Reduce Solid Waste

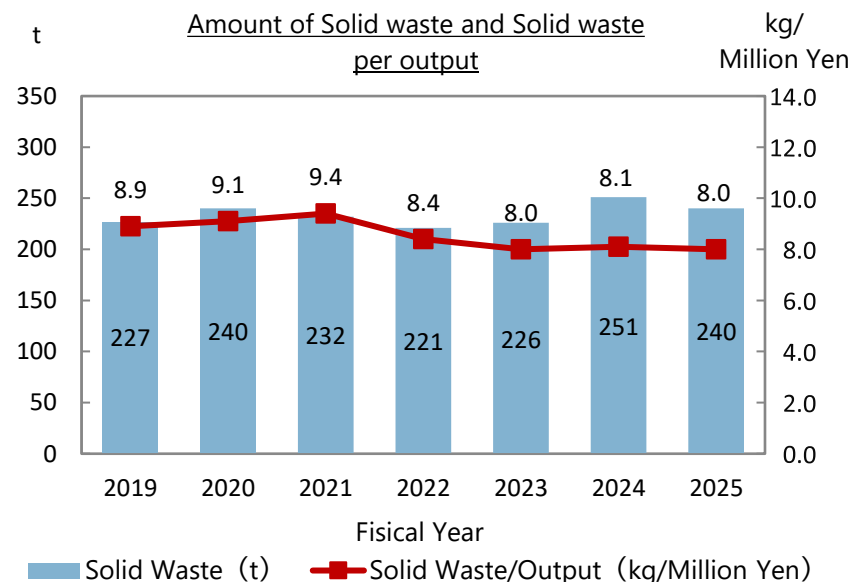
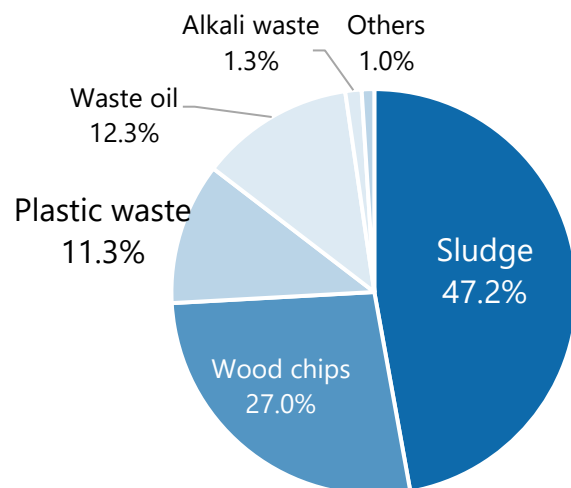
We manage and process solid waste appropriately and in compliance with all laws and ordinances.

In FY2025, our solid waste per output was 8.0 kg/million yen, down by approximately 0.1 kg/million yen compared to the previous year. This was chiefly due to a decrease in waste powdered paint, which is a result of improvements in the coating process.

We are also working toward to implement initiatives to reduce a certain amount or more of Solid Waste stably.

Breakdown of Total Solid Waste

*Total for the Fukui and Shiga Plants



Formation of a Recycling-based Society

◆ 3Rs Activities

In recent years, there have been problems with the depletion of resources such as petroleum, which are essential for our daily lives, and the shortage of final disposal sites for garbage. The importance of 3Rs (Reduce, Reuse, Recycle) has been increasing. Denyo implements a range of initiatives to make effective use of limited resources and minimize the impact on the environment. We will now introduce some of these activities.

Reduce / Reuse

Denyo changed from wooden pallets to iron pallets on the loading platforms used to transport products and other goods. The disused wooden pallets were taken by companies that use wooden pallets, through which 1,021 wooden pallets were recycled in FY2025.

This resulted in a waste reduction of approximately 17 t.

Recycle

The wood chips generated in the production process were all recycled. 41% of sludge, waste plastics, and waste alkali was recycled as cement materials.

This resulted in recycling of approximately 122 tons of waste, which is 51% of the total, 239 tons of waste, as new raw materials in FY2025.



wooden pallets



Iron pallets

Managing Chemicals

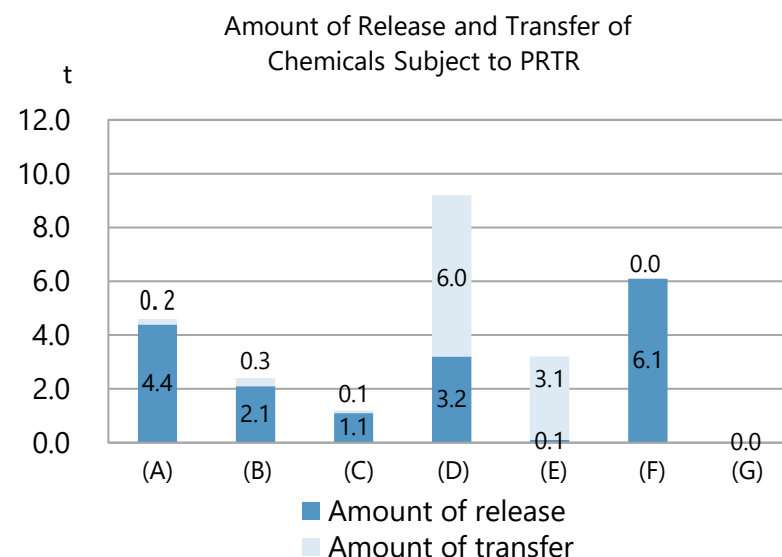
◆ Managing Chemicals Subject to PRTR

Based on the PRTR Law, we compile and release data on chemicals subject to the PRTR including amounts released into the environment or transferred as solid waste.

*A Pollutant Release and Transfer Register (PRTR) is a system for compiling and disclosing data on hazardous chemical substances including their sources, how much is released into the environment or transferred off-site with solid waste.

Substance	Amount released to the atmosphere	Amount of transfer
(A) Xylene	4.4	0.2
(B) Toluene	2.1	0.3
(C) Ethyl benzene	1.1	0.1
(D) Methylene chloride	3.2	6.0
(E) Tetrahydromethyl phtalicanhydride	0.1	3.1
(F) Syrene	6.1	0.0
(G) 1,2,4-trimethylbenzene	0.0	0.0

(Unit : t)

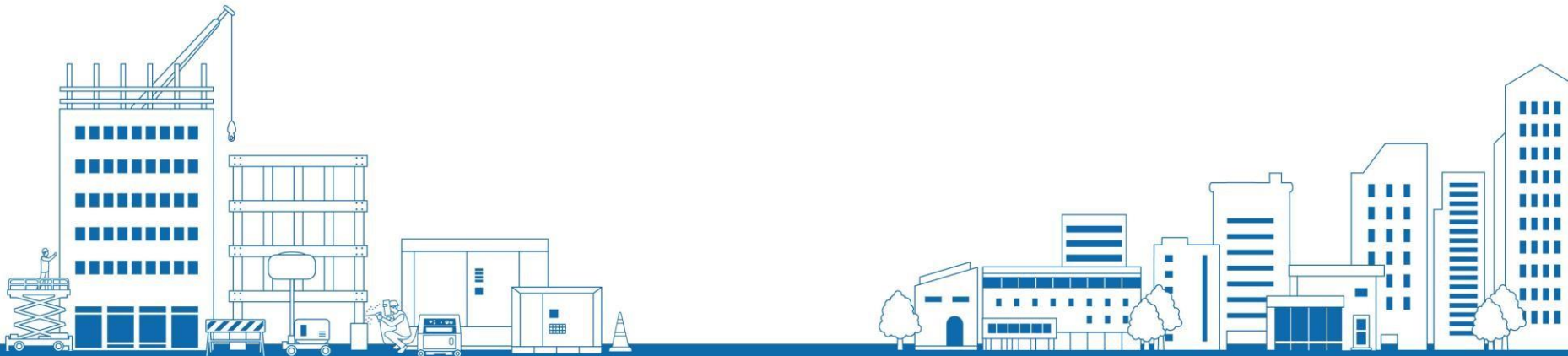


◆ Environmental awareness in the material procurement process

Denyo requested that its parts and materials suppliers and contractors consider the environment in their management of chemical substances and in other areas of their businesses. These initiatives, which are summarized in the Denyo Group Green Procurement Guidelines, are being implemented now.

We will continue to promote environmental awareness in the material procurement process.

Environmental conservation & community contribution activities



Environmental conservation activities

◆ Roof Greening

Based on our environmental policy “promoting environmentally sound business activities,” Denyo has been implementing roof greening activities at the headquarters building since 2012. Roof greening can reduce temperature rise in a building, resulting in mitigation of the heat-island phenomenon and improved cooling efficiency. Thirty-eight percent (40.88 m²) of the headquarters building rooftop area is part of the roof greening efforts, including green planters. The light, artificial soil used withstands the dry summer air well. In addition, approximately 20 varieties, mainly blooming plants, flourish throughout the year so that the four seasons can be sensed, and you can feel refreshed. The area is used by many employees to relax.



◆ Water Quality Monitoring



The Fukui plant employs a method that collects treated drain water in an on-premises balancing reservoir before releasing it into a river.

We monitor water quality to ensure that an environment suitable for living creatures is maintained. Even if contaminated water should escape at the primary water discharge, the risk of releasing contaminated water directly into the river is minimized.

Environmental conservation & community contribution activities

◆ The new Nishihatsu plant featuring mega solar power generation equipment and the utilization of geothermal heat has been completed.

Nishihatsu Co., Ltd. completed a new plant, which began operating in January 2025. Nishihatsu is a Group company that manufactures and sells disaster preparedness generators. The new plant features energy-saving equipment and serves as a local disaster prevention hub. It is expected to significantly contribute to the development of a sustainable society.

1. Decarbonization initiatives

A mega solar power generation system is installed on the factory's expansive roof. The plant's office building, which was constructed as a ZEB,* has been equipped with geothermal air conditioning systems.

* Abbreviations for Net Zero Energy Building, which is designed so that its annual primary energy is not more than it generates.

2. A local disaster preparedness hub

In a disaster, the visitor parking lot will be used as a disaster response area. Restrooms will be available for use. Meals can be prepared in the facility's kitchen.



Environmental conservation & community contribution activities

◆ Participation in cleaning activities



Denyo has been actively participating in cleaning and other activities organized by an association based in the Konan Industrial Complex where the Shiga Plant is located.

We will continue to participate in cleaning activities like these to make sure that each employee is always aware of the importance of environmental conservation.

◆ Participation in anti-crime patrols

An anti-crime patrol was carried out in December 2024 by the Fujimi Industrial Park Industrial Association in Saitama, where our Laboratory & Training Center is located. As part of regional contribution efforts, the association conducts the campaign at the end of every year. Our employees participated in the 2023 campaign.

Denyo will strive to contribute to local anti-crime activities by continuing to participate in activities like this every year while simultaneously strengthening relationships with neighboring companies and residents.



The power to go beyond.

Denyo