Disclosures based on TCFD recommendations

Governance

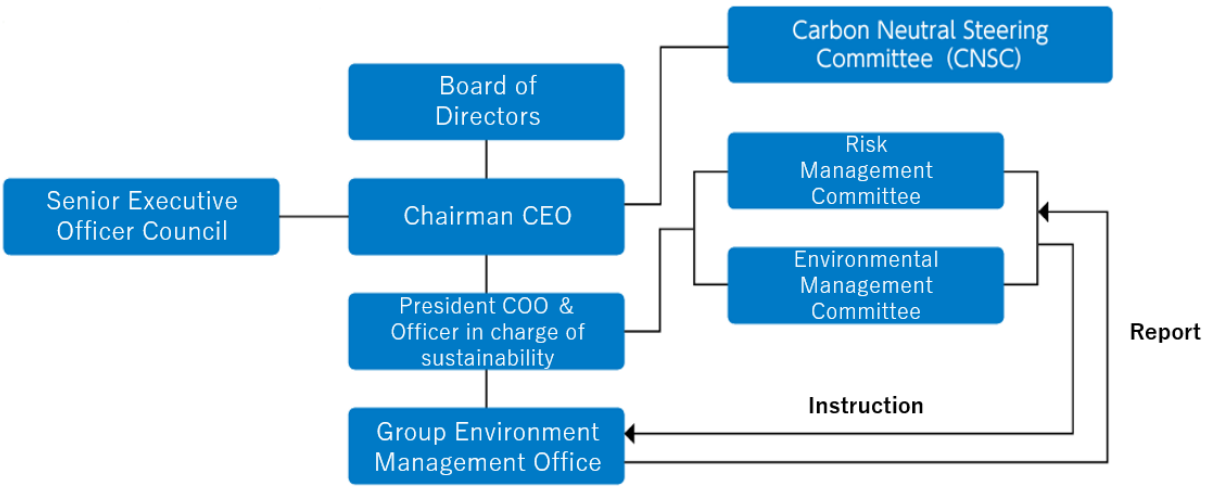
We approach the risks and opportunities associated with climate change based on our Climate Change-related Risk Management Regulations. These regulations determine our internal systems for managing climate change risks and opportunities, as well as our processes for managing risk and opportunities using plan-do-check-act (PDCA) cycles.

Chairman CEO has ultimate responsibility for managing our climate change risks and opportunities. Chairman CEO manages these risks and opportunities by utilizing the Risk Management Committee, which is responsible for all risks, and the Environmental Management Committee, which is responsible for environmental management, including climate change-related risks and opportunities. This enables Chairman CEO to evaluate and monitor progress on response measures and goals. The Carbon Neutral Steering Committee, which reports directly to Chairman CEO, performs internal arrangements, and makes proposals regarding policies and basic measures for carbon neutrality.

At meetings of the Senior Executive Officer Council, Chairman CEO evaluates the effectiveness of the Company's governance related to climate change. The Board of Directors performs monitoring and supervision to ensure Company executives, including Chairman CEO, are responding appropriately to climate change risks and opportunities.

The officer in charge of sustainability manages the Company's climate change response progress as one of the sustainability issues.

Internal structure for managing the risks and opportunities related to climate change



Body / Meeting Frequency	Role	Chairperson	Members
Board of Directors (once a month in principle)	The Board of Directors performs monitoring and oversight to ensure that the President and other executive officers are responding appropriately to climate change risks and opportunities.	Representative Director, Chairman CEO	・Representative Director, Vice Chairman ・Director, President COO & CFO ・Director, Vice President Executive Officer ・Director, Senior Managing Executive Officer ・Director, Managing Executive Officer ・Outside Director
Senior Executive Officer Council (once a month in principle)	The Senior Executive Officer Council supervises management's approach to risk owners related to climate change and governance and challenges it as necessary. It is also responsible for checking the program for effectively identifying, assessing, managing, and supervising risks and opportunities related to climate change.	Representative Director, Chairman CEO	・Representative Director, Vice Chairman ・Director, President COO & CFO ・Director, Vice President Executive Officer ・Director, Managing Executive Officer

Carbon Neutral Steering Committee (approximately twice a year)	The CNSC promotes measures to reduce power consumption in factories as well as power consumption by users of the Company's products.	Chief Green Officer (CGO)	・Senior Executive Officer Council Members ・Head of Business Units ・General Manager of Regional Affairs ・Plant Managers
Risk Management Committee (twice a year)	The Risk Management Committee promotes company-wide risk management to achieve business targets and mount a company-wide response to factor impeding business management. It also coordinates with the Environmental Management Committee on risks and opportunities related to climate change to promote integrated management.	Head of HR & General Affairs Div.	・Appointed by the Chairperson and approved by the Board of Directors
Environmental Management Committee (twice a year)	Reports to the Risk Management Committee and the Board of Directors on the results of assessment and reassessment of climate change risks and opportunities, as well as the results of analysis of their impact on business strength. This includes the evaluation and oversight of target progress and the status of response plan implementation.	Chief Green Officer (CGO)	・Appointed by the President and approved by the Board of Directors

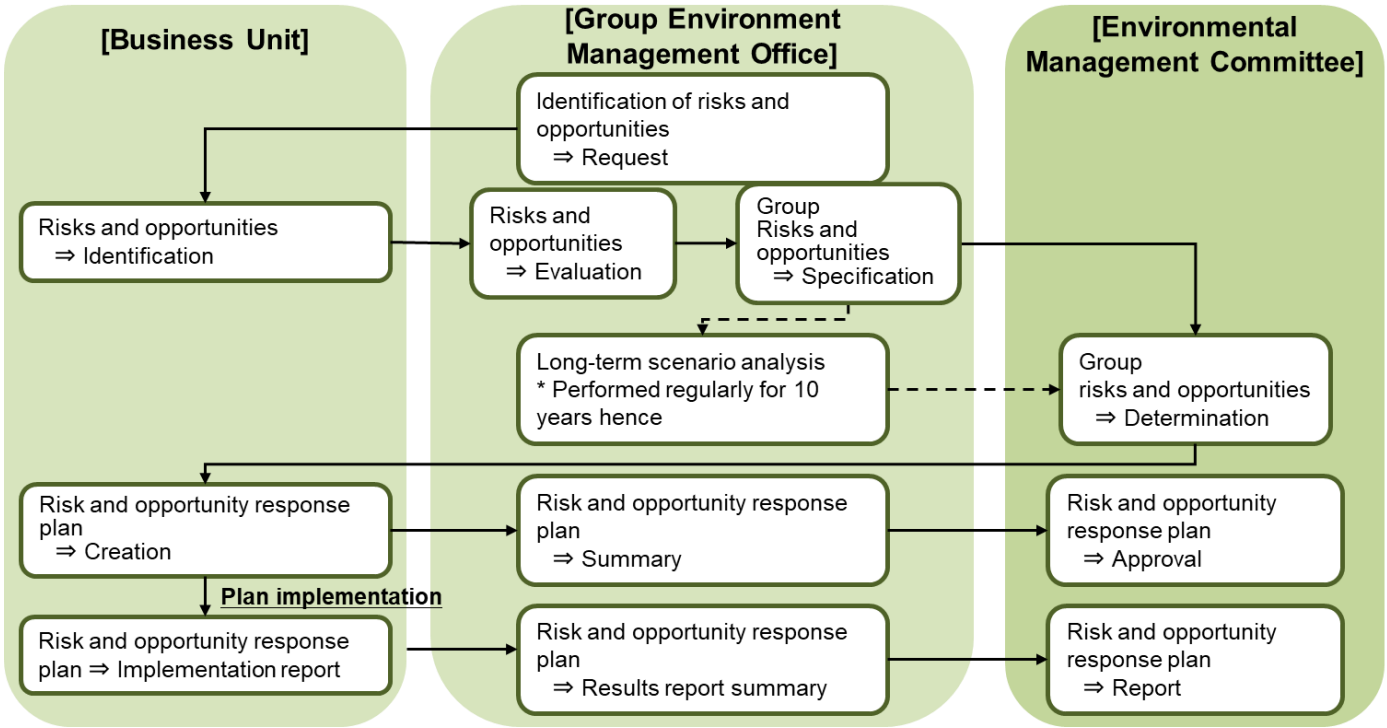
Risk Management

■Management Process

Our process for climate change risk and opportunity management is shown in the diagram below. This plan-do-check-act (PDCA) cycle is implemented company-wide every fiscal year.

The risk assessment covers not only our direct operations, but also upstream and downstream operations in the value chain. This includes raw material procurement, logistics, customer and end user activities.

The management process includes deliberation by the Environmental Management Committee, which consists of managers from each business unit. The results of those deliberations are checked by the Senior Executive Officer Council and the Board of Directors. Specifically, through daily information gathering activities using our monitoring system, we strive to anticipate risks as much as possible, and estimate the potential damage in the event of a crisis (damage estimation). We then implement measures for minimizing these risks including preventive and mitigation measures. In the event of a crisis, we are able to transition to an emergency response led by the Risk Management Committee in order to minimize losses.



■Identification method

Risks and opportunities are identified using the following system.

Risk Types		Explanation
Transition risks		The transition to a decarbonized society requires changes to policies, laws, technologies, and markets, which pose various impact risks.
	Regulations	Risks related to changes in laws and regulations, such as the introduction of carbon taxes
	Technology	Risks of falling behind on technological developments, such as advances in renewable energy, storage batteries, and energy efficiency
	Markets	Risks associated with changes in demand for specific products and services during the transition to a decarbonized society
	Reputation	Risks associated with changes in demand for specific products and services during the transition to a decarbonized society
	Lawsuits	Risks associated with potential lawsuits from shareholders and customers due to non-fulfillment of contracts, etc.
Physical risks		Risks stemming from natural disasters attributable to climate change
	Acute	Risk of greater losses due to an increase in natural disaster events
	Chronic	Risk of lower earnings arising from long-term changes in climate patterns

Opportunity Types		Explanation
Opportunities		Opportunities for mitigating or adapting to climate change
	Resource utilization efficiency	Opportunities for improving resource utilization efficiency in production and distribution processes, etc.
	Energy sources	Opportunities associated with the shift to low-emission energy sources
	Products and services	Opportunities related to innovation and development concerning new low-emission products and services and those for climate adaptation
	Markets	Possibilities for helping organizations better position themselves for the transition to a decarbonized society
	Resilience	Opportunities for developing the capabilities needed to adapt and respond to climate change
	Value chains	Opportunities associated with all value chain activities including product manufacturing and sales, as well as the product development and labor management activities that support them

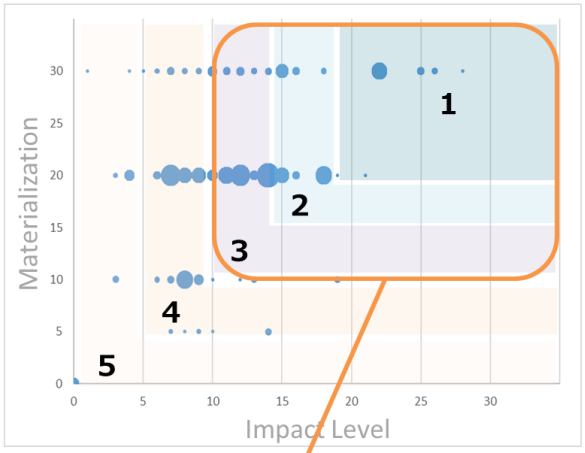
■Evaluation method

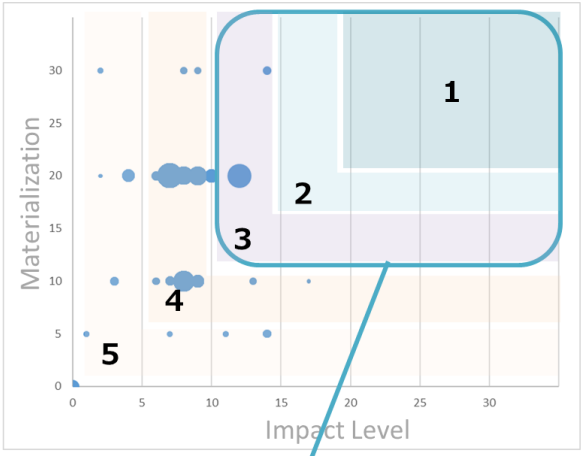
We quantify the identified risks and opportunities using the following evaluation method.

- Degree of impact: Calculating the total of quantitative and qualitative impacts (1 to 30 points)
- Likelihood of occurrence: Rated on a four-level scale, ranging from “Extremely likely” to “Unlikely” (5 to 30 points)

Evaluation Points			Min. Score	Max. Score
Impact Level	Quantitative impact	Evaluation on a four-point scale using the following indicators - Impact on assets: Less than 10 million yen to 1 billion yen or more - Sales impact: Less than 100 million yen to 16 billion yen or more	1	12
	Qualitative impact	Evaluation of interest/concern using three levels based on the following six stakeholder perspectives Customers, business divisions, suppliers, government, investors, and local communities	0	18
	Total		**1**	**30**
Materialization	Probability of materialization	Evaluation using the following four levels - Extremely likely - Highly likely - Likely - Unlikely	5	30
	Total		**5**	**30**

After quantification through the above process, the distribution is as follows. We ranked the risks and opportunities within the following framework from highest (1) to lowest (5).



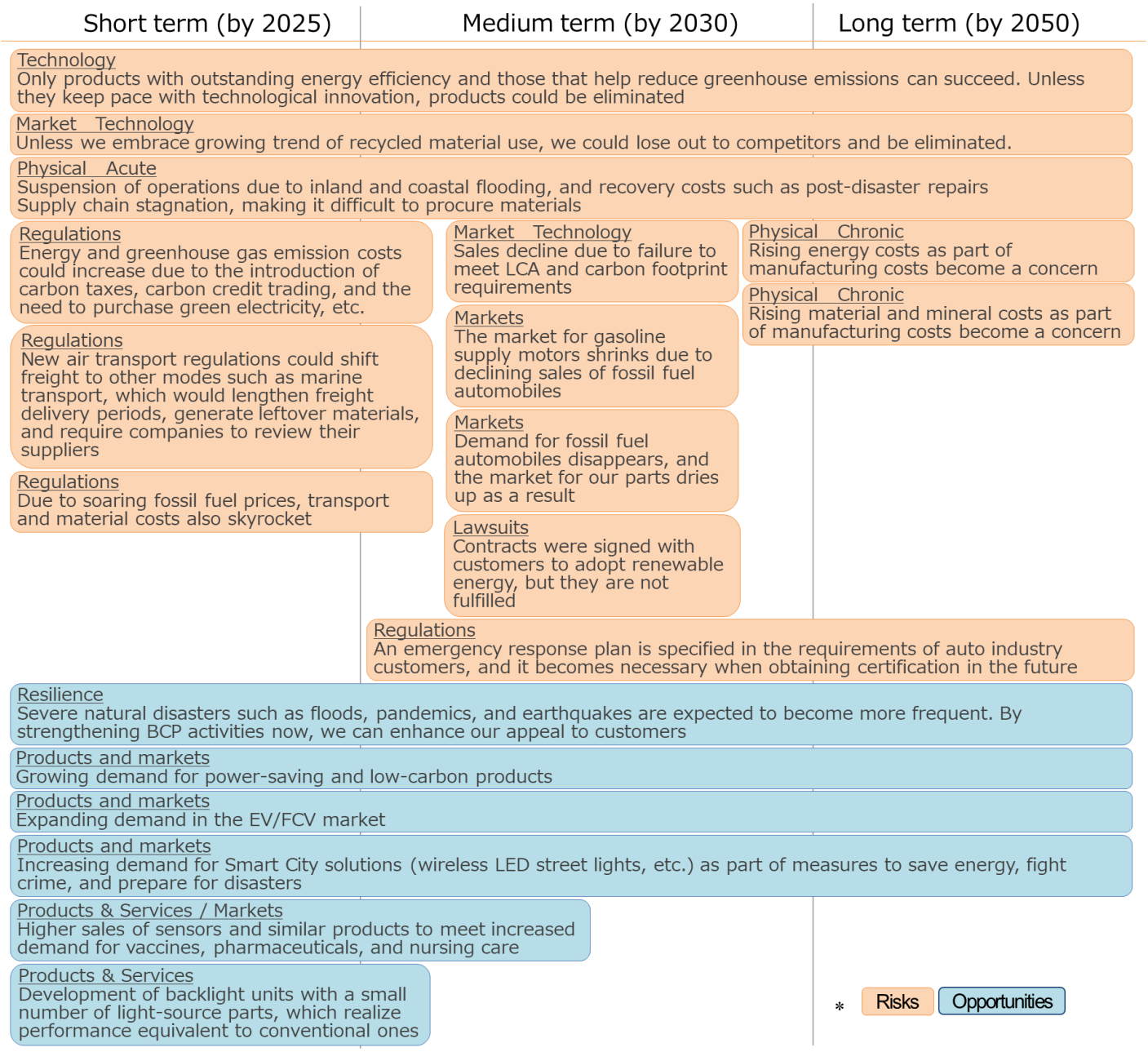


Risk specification
A. Suspension of factory operations due to natural disasters such as floods, typhoons, storm surges, and drought damage
B. Earnings deterioration due soaring raw material and electricity prices, as well as new regulations such as carbon taxes
C. Elimination from the market based on energy-saving performance, and new indicators such as LCA and carbon footprint
D. Nonfulfillment of contracts with customers, for failing to adopt renewable energy, etc.

Opportunity specification
a. Improving customer confidence and our reputation by increasing resilience
b. Our high-efficiency, low-carbon products will be in demand in a decarbonized, low-carbon society
c. New markets can be acquired by utilizing our technology to help achieve a decarbonized and low-carbon society

■Period setting

While specifying climate change risks and opportunities, we consider the following short, medium, and long-term perspectives.



■Response plan

We have specified climate change risks and opportunities and have created a response plan for the fiscal year ending March 31, 2024. The plan was devised based on the approach that risk response creates opportunities, and that risks and opportunities are two sides of the same coin.

This response plan for the fiscal year ending March 31, 2024, has been incorporated into the business plans for the same year adopted by each of our business units and factories. After thorough plan implementation, the results will be compiled.

Risk specification
A. Suspension of factory operations due to natural disasters such as floods, typhoons, storm surges, and drought damage
B. Earnings deterioration due soaring raw material and electricity prices, as well as new regulations such as carbon taxes
C. Elimination from the market based on energy-saving performance, and new indicators such as LCA and carbon footprint
D. Nonfulfillment of contracts with customers, for failing to adopt renewable energy, etc.

Opportunity specification
a. Improving customer confidence and our reputation by increasing resilience
b. Our high-efficiency, low-carbon products will be in demand in a decarbonized, low-carbon society
c. New markets can be acquired by utilizing our technology to help achieve a decarbonized and low-carbon society

Climate change response measures to be incorporated into the business plan	Risks	Oppor-tunities	Impact Level
BCP establishment to minimize water-related risks such as floods, typhoons and droughts	A	a	High
Improving productivity and resource/energy efficiency, including transport efficiency	B	b	High
Development of highly efficient products utilizing our own technology	C	b,c	High
Responding to customer needs including the adoption of new indicators and renewable energy	C,D	b,c	High
Reducing PFC and SF6 emissions, which have a powerful greenhouse gas effect	C	a	High

Figure 1: Response plan and result for the fiscal year ending March 2024

Item	Risks	Opportunities	'24/3 Plan	'24/3 Result
Response to water risks	Suspension of plant operations due to flooding, typhoon, flood tides, drought, etc.	Secure the trust of our customers by enhancing resilience	・We will give top priority to the high-risk locations identified by the risk map, and consider and implement measures such as physical responses, BCPs, and the formulation.	・Check the conditions at domestic and overseas bases that have been judged to be at high risk for the companies that have been integrated, and begin considering countermeasures.
Improving productivity and efficient use of resources and energy, including transportation	Deterioration in earnings due to soaring prices of raw materials and power, carbon tax, etc.	Improving profits through resource-saving, energy-saving, decarbonized production activities	<Improved production efficiency> ・Automation of manufacturing processes, productivity improvement ・Introduction of high-efficiency, energy-saving equipment ・Scrap reduction, recycling, etc. <Improving transport efficiency> ・Improved packaging efficiency by stacking pallets two high ・Reorganization and efficiency improvement of production sites ・Modal shift from air transport to sea transport	・Reducing electricity usage and scrap through automation and process reviews ・Improved container loading efficiency and reduced packaging materials used through improved packaging methods ・Transfer production to a factory close to the destination
Improving product performance and providing new products	Market selection by energy-saving performance, LCA, carbon footprint, etc.	Capture market share by providing resource-saving, energy-saving, low-carbon products	<Improvement of product performance> ・Development of various energy-saving, long-lasting devices <New market development> ・Components for EVs/HEVs, on-board batteries ・Fan motors for solar power generation and data centers ・LED lighting ・Clean Boost (no power supply) products	・Development of high-efficiency technologies such as high luminance, split lighting, and light distribution control →Development of direct-type backlight Reduction in power usage from 63% to 58% ・Production of high-efficiency power supplies ・Increase in orders for low-power consumption products
Responding to customer/country requests	Loss of business due to failure to fulfill customer requests such as introducing renewable energy, reducing our carbon footprint, etc.	Secure orders by earnestly fulfilling customer demands aimed decarbonization	・Aiming to acquire SBT certification ・Increasing the rate of renewable energy introduction through the introduction of solar power and self-consignment ・Creation of a roadmap to carbon neutrality	Promoting research and investigation of measures to respond to requests. ・Submit a commitment letter to SBTi ・Promoting the introduction of renewable energy through solar power generation, self-consignment, and off-site PPAs. ・The roadmap is updated continuously each fiscal year.
Curbing PFC and SF6 emissions	Increase investment due to the introduction of regulations on	Increase in investment due to introduction of gas substitution and	・Introduction and renewal of removal equipment in line with the expansion of semiconductor production facilities, etc.	・Introduction of new removal equipment ・Stable operation and maintenance of removal equipment (equipment renewal)

	greenhouse gases such as PFC and SF6, and the	exclusion equipment, following introduction of regulations for PFCs and SF6, which have a strong greenhouse effect.	・Reducing the amount of SF6 gas supplied during magnesium casting	・Reviewing the production process to reduce supply time

Strategy

One of our missions is to help realize global carbon neutrality by 2050. For this reason, we aim to reduce our own greenhouse gas emissions and achieve carbon neutral operations. We are also striving to ensure that our products help customers reduce their greenhouse gas emissions.

As part of efforts to reduce our own greenhouse gas emissions, we have set a 42% reduction target to be achieved by the fiscal year ending March 31, 2031 (based on the fiscal year ended March 31, 2023). After achieving this goal, we will proceed with efforts to achieve carbon neutrality by 2050 at the latest.

We are promoting our MMI Beyond Zero initiative to reduce customer greenhouse gas emissions based on the use of our products. Through this effort we are also working to reduce our Scope 3 emissions.

As important business strategies, we will continue to develop energy-saving, resource-saving, and durable products, while supplying parts for products and equipment that help combat climate change, such as electric vehicles, solar power equipment, and green data centers.

■Scenario Analysis

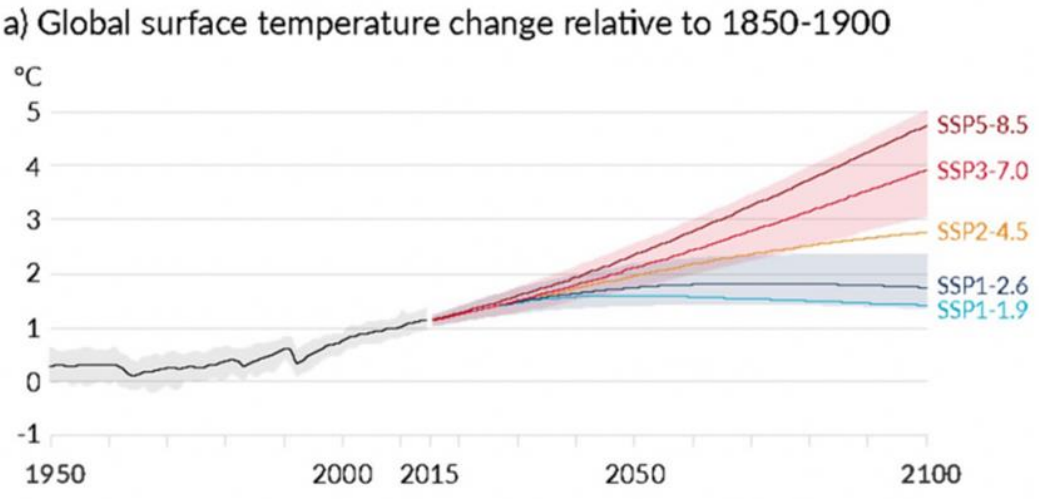
Scenario analysis method

A scenario analysis was conducted using risks and opportunities identified in the fiscal year ended March 31, 2023.

The Sixth Assessment Report of the United Nations Intergovernmental Panel on Climate Change (IPCC) outlines several possible global warming forecasts for the next 30 years. Two of these are SSP1-2.6 (temperature rise of just below 2°C), and SSP1-1.9 (rise of 1.5°C). The International Energy Agency (IEA) also has a sustainable development scenario (SDS) for a temperature rise of just under 2°C. We converted these into a future scenario with a 1.5°C rise. Two other future outlooks, IPCC SSP5-8.5 (4°C rise) and IEA STEPS (4°C rise) were used to create a future scenario with a 4°C rise in average global temperature.

Figure 2 shows the two scenarios: one with a 1.5°C temperature rise and the other with a 4°C rise.

Reference:
Global average temperature rise forecasts based on three IPCC climate scenarios



Source: IPCC AR6 WGIP 30a) Global surface temperature change relative to 1850-1900

Figure 2: Future outlook based on two scenarios

	4°C Scenario	1.5°C Scenario
Main Scenarios	SSP5-8.5 (Fossil-fuel based development)	SSP1-2.6 (Sustainable development)
Projected socioeconomic global changes	Rapid technological progress and development of human capital will lead to more competitive markets, and adaptation to climate change will play a central role. **As an extension of the current situation, physical risks will have a significant impact on business operations.**	By respecting environmental limits, nations will gradually move toward a sustainable path, and greatly advance climate change mitigation. **It will be essential to respond to new technologies and markets, including those related to high efficiency, electrification, and optimistic scenarios the world is aiming for.**
Environmental technology	Low	High
Laws and regulations	Less stringent	More stringent
Energy costs	High going forward (Petroleum resource depletion)	Increasing over the short term, decreasing over the long term (Expansion of renewable energy)
Flood risk	Frequent	Slight increase
Sea level rise	Major	Minor
Drought risk	Major	Minor
Population increase	High	Low
Consumption trends	Resource intensive, and reliance on fossil fuels	Dematerialization, and saving resources and energy
Other	Human capital development, competitive markets, and focus on innovation	Accelerating investment in education and health, and emphasizing public welfare over economic growth

Projected financial impacts (see note)

Based on the scenario analysis, the graph in Figure 3 was created to show the potential level of financial impact on our company due to climate change (impact on operating income in fiscal 2030, assuming operating income achievement of 250 billion yen). The graph shows the degree of financial impacts from negative and positive factors, namely risks and opportunities. It also shows the impact of response measures taken to minimize negative impacts by mitigating the increased flood risk associated with more severe weather events.

Under the 1.5°C Scenario, the opportunity to enter new markets yields a projected profit of around 140 billion yen. This is larger than the 80 billion yen profit predicted under the 4°C Scenario, indicating the importance of fully seizing business opportunities.

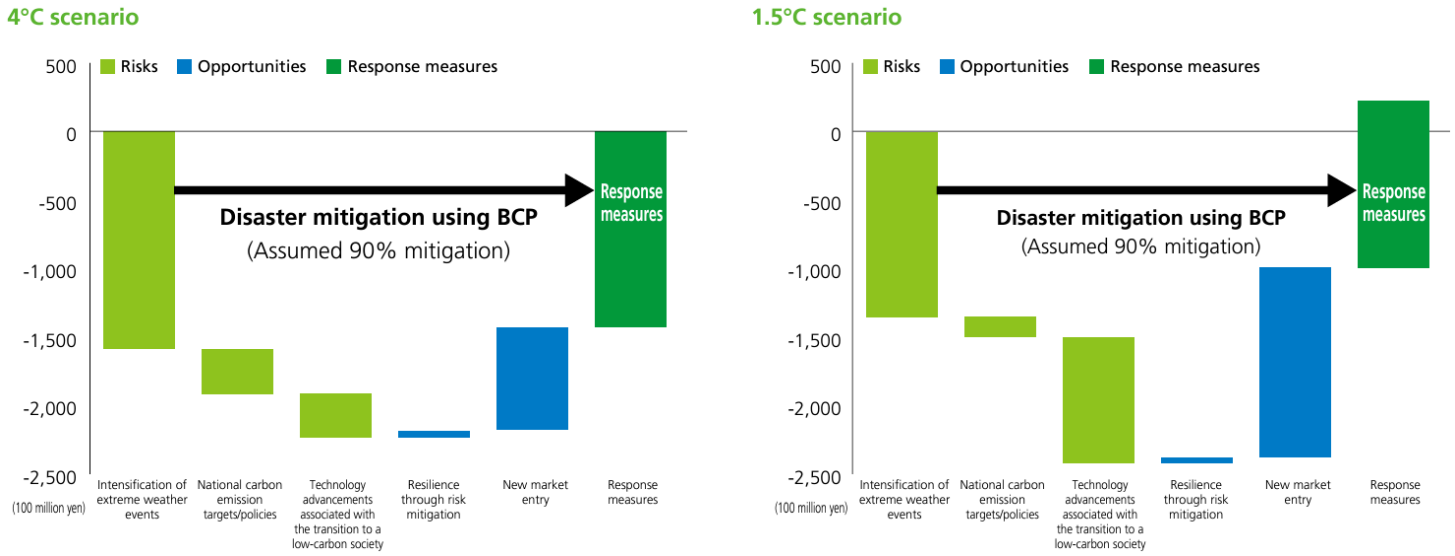
Meanwhile, potential financial losses due to flood damage caused by more severe weather events was very clear in both the 4°C and 1.5°C Scenarios (approximately 130 to 160 billion yen). This is because 25 of our factories are located in areas with high or extremely high risk of river and/or coastal flooding, or droughts according to the Aqueduct Water Risk Atlas. We calculated the financial impact of potential flood damage at these 25 factories in terms of lost output, decreased sales, and repair expenditure. The results showed that the financial losses from flood risk are greater than the financial gains from potential opportunities in terms of increased sales alone. The analysis suggested a possibility

that a terrible weather disaster caused by climate change may have a great impact on the Company's finances as the flood risk. The Group experienced a shutdown of two plants of the five that it owned at the time because of a flood occurred in the middle part of Thailand in 2011. Since then it has taken physical measures, including drawing up of a BCP and raising of waterproof banks and plant premises, against the flood risk. We are confident that we have now taken appropriate measures according to the degree of the flood risk at plants. We will follow up on the state of the measures and endeavor to improve the measures so that the flood risk will not be materialized.

Using the financial impact calculation method described in the note below, we calculated a large financial loss of over 100 billion yen based on flood risk. To mitigate this risk, as mentioned above, we have prepared a business continuity plan (BCP) and have taken physical disaster mitigation measures according to the risk level. We can confirm that measures are now in place to mitigate approximately 90% of the risks. Accordingly, we believe that such a large negative financial impact is unlikely to occur. However, these sober projections are still being shared to aid understanding of the business risks associated with climate change.

Based on the implementation of measures to mitigate flood damage risk, we expect positive operating income under the 1.5°C Scenario.

Figure 3. Financial Impact Levels Due to Risks, Opportunities, and Risk Mitigation Measures



Note: Financial impact calculation method

To calculate the financial impacts shown in Figure 3, parameters were determined for likely future developments under the 4°C and 1.5°C Scenarios, respectively. The impact calculations were based our current financial data (including sales by field and factory, and factory assets, etc.), along with information from the Japanese Ministry of the Environment's Assessment Report on Climate Change Impacts in Japan (2020), and growth forecasts for individual markets.

As for opportunities, the sales change forecast directly affects the profit level. With the risk of flooding and other water damage however, the negative financial impact appears to be large because the double impact of the resulting decrease in sales due to suspension of operations and the expenditure for repair costs.

Financial impact evaluation and response measures

Figure 3 (1.5°C Scenario) and Figure 4 (4°C Scenario) show the assessed financial impacts based on the scenario analysis and the response measures.

Figure 4. Financial Impact Evaluation and Response Measures (1.5°C Scenario)

Item	Impact on the business	Evaluation*	Response measures to risks/opportunities
Intensification of extreme weather events (supply chain disruption, and suspension of internal operations)	Due to the potential for river flooding near our sites in Thailand, Cambodia and China, repair costs and lost sales could occur. Moreover, sites of Mitsumi Electric (Philippines, etc.) located in coastal areas could be similarly affected by disasters such as storm surges and typhoons.	★★★	**Risks:** We are reviewing our BCP and establishing a production system that is more resistant to disaster impacts. In addition to taking our own measures, such as establishing duplicate suppliers in our supply chain, that will allow us to adapt more quickly even in the event of a disaster, we will survey the mitigation efforts of our suppliers.
Introduction of carbon taxes and emissions trading, and national carbon emission targets and policies (cost increases for policy compliance)	Energy and greenhouse gas emissions costs will increase with the adoption of carbon taxes, emissions trading, and green electricity purchase requirements. At the same time, electricity rates will trend downward along with the widespread adoption of renewable energy.	★	**Risks:** We will need to promote measures such as CO_2 emissions reduction by investing in energy-saving, as well as Scope 2 emissions reduction by increasing the ratio of renewable energy procurement.
Technology advancements to associated with the transition to a low-carbon society	There is a growing need for products with outstanding energy-saving performance and those that help reduce greenhouse gas emissions. Those products that cannot keep pace with technological innovation will get eliminated. Moreover, we will need to bear the costs of the necessary R&D and technological development.	★★	**Risks:** We will need to promote advanced R&D and technological development to meet low-carbon needs, and to make proactive and systematic investment to remain competitive. **Opportunities:** As the need for high-efficiency products to reduce energy costs will increase substantially, we will aim to expand the market using our energy-saving technology. ・ We will create a system to calculate the CO_2 emissions reduction effect of our products along with their carbon footprints, and will provide this as part of the design and development output data.
Resilience through risk mitigation	Climate change is expected to make major disasters more frequent, similar to past flooding in Thailand. By implementing the necessary BCP activities, we can enhance the appeal of our products to customers.	★	**Opportunities:** We will create and maintain an effective BCP, improve communication with customers to enhance our reputation for reliability with them, and disclose information about our BCP system.
Changes in product and service needs	As concern about climate change promotes the widespread adoption of electric vehicles, sales volumes for bearings, motors, and other parts necessary for these vehicles could increase substantially.	★★★	**Opportunities:** ・ During the transition to a low-carbon society, we will work to expand sales by implementing a growth strategy for our energy-saving technology under our business plan. ・ We will increase investment and promote technological development to enhance the added-value appeal of our products. This includes assessment of product environmental performance, including energy-saving and low-carbon specifications, and labeling our products with relevant carbon footprint data. (GX promotion and target achievement) ・ Developing and combining next-generation technologies by implementing
New market entry	As concern about climate change promotes the widespread adoption of electric vehicles, high-efficiency devices (drones and robots, etc.), and clean energy, sales volumes for bearings and other parts necessary for these products could increase substantially.		

			digital transformation (DX) ・ We will continue to promote M&A activities globally, and promote a cooperative growth strategy to dominate expanding markets. (Expanding mass production outside Japan)

Figure 5. Financial Impact Evaluation and Response (4°C Scenario)

Item	Impact on the business	Evaluation*	Response to risks/opportunities
Intensification of extreme weather events (supply chain disruption, and suspension of internal operations)	Due to the potential for river flooding near sites in Thailand, Cambodia and China, repair costs and lost sales could be enormous. Moreover, sites of Mitsumi Electric (Philippines, etc.) located in coastal areas could similarly be hugely affected by disasters such as storm surges and typhoons. (Approx. 1.2 times compared to the 1.5°C Scenario)	★★★	**Risks:** ・ We are reviewing our BCP and establishing a production system that is more resistant to disaster impacts. In addition to taking our own measures, such as establishing duplicate suppliers in our supply chain, that will allow us to adapt more quickly even in the event of a disaster, we will survey the mitigation efforts of our suppliers. ・ For logistics, we will consider further modal shifting globally and promote production that is closer to consumption markets. ・ We will promote ESG-related engagement with parts manufacturers and strengthen these relationships for mutual sustainable development.
Introduction of carbon taxes and emissions trading, and national carbon emission targets and policies (cost increases for policy compliance)	It is predicted that a certain level of increases in energy and greenhouse gas emission costs will be incurred due to the introduction of carbon taxes, emission trading, and green electricity purchasing requirements, etc., and indirect costs will increase. (Approx. 2.2 times compared to the 1.5°C Scenario)	★	**Risks:** ・ We will need to promote measures such as CO_2 emissions reduction by investing in energy-saving, as well as Scope 2 emissions reduction by increasing the ratio of renewable energy procurement, to avoid being subject to regulations. ・ With renewable electricity procurement in mind, we will prepare for the increased energy costs under the financial plan, and make efforts to improve production efficiency. ・ We will promote the procurement of renewable electricity while increasing the amount of renewable energy we generate.
Technology advancements to associated with the transition to a low-carbon society	There is a growing need for products with outstanding energy-saving performance and those that help reduce greenhouse gas emissions. Those products that cannot keep pace with technological innovation will get eliminated. Moreover, we will need to bear the costs of the necessary R&D and technological development.	★	**Risks:** We will need to promote advanced R&D and technological development to meet low-carbon needs, and to make proactive and systematic investment to keep up with the competition. Opportunities: As the need for high-efficiency products that help reduce energy costs will increase somewhat, we will aim to expand the market using our energy-saving technology.
Resilience through risk mitigation	Climate change is expected to make major disasters more frequent, similar to past flooding in Thailand. By implementing the necessary BCP activities, we can enhance the appeal of our products to customers. (Approx. 1.2 times compared to the 1.5°C Scenario)	★	**Opportunities:** We will create and maintain an effective BCP, improve communication with customers to enhance our reputation for reliability with them, and disclose information about our BCP system.

Changes in product and service needs	As concern about climate change promotes the widespread adoption of electric vehicles, sales volumes for bearings, motors, and other parts necessary for these vehicles could increase substantially. (About half compared to 1.5°C Scenario)	★★	**Opportunities:** ・ During the transition to a low-carbon society, we will work to expand sales by implementing a growth strategy for our energy-saving technology under our business plan. ・ We will promote further technological development to create products with high energy-saving performance. ・ Developing and combining next-generation technologies by implementing digital transformation (DX) ・ We will continue to promote M&A activities globally, and promote a cooperative growth strategy to dominate expanding markets. (Expanding mass production outside Japan)
New market entry	As concern about climate change promotes the widespread adoption of electric vehicles, high-efficiency devices (drones and robots, etc.), and clean energy, sales volumes for bearings and other parts necessary for these products could increase substantially. (About half compared to 1.5°C Scenario)		

＊ **Meaning of "★" symbol**

	Profit (100 million yen)	**Costs** (100 million yen)
★★★	2,500–1,250	2,500–1,250
★★	1,250–625	1,250–625
★	625–0	625–0

Targets and Indicators

■Targets

○ Greenhouse gas emissions (Scopes 1 & 2)

- Medium-term target:

10% reduction per unit of sales by the fiscal year ending March 2026 compared to the fiscal year ended March 2020

- Long-term target:

42% reduction by the fiscal year ending March 2031 compared to the fiscal year ended March 2023

- Ultimate targets: Achieving net zero by 2050 at the latest

○ Greenhouse gas emissions (Scopes 3 Category 11<Use of sold products>)

-25% reduction by the fiscal year ending March 2031 compared to the fiscal year ended March 2023

○ Helping to reduce CO_2 emissions through our products

- 50% increase by the fiscal year ending March 31, 2031, compared to the fiscal year ended March 31, 2023 (approximately 4 million tons of CO_2)

■Indicators (fiscal year ended March 31, 2024)

- Scopes 1, 2 greenhouse gas emissions: 868,000 tons of CO_2 (0.8% increase year-on-year)
- Basic unit of sales for Scopes 1, 2 GHG emissions: 0.619 tons of CO_2 / million yen (7.2% reduction year-on-year)
- CO_2 emissions from power consumption: 770,000 tons of CO_2 (2.2% increase year-on-year)
  Total power consumption: 1,592 GWh (3.6% increase year-on-year)
  Degree of renewable energy adoption: 49 GWh (233% increase year-on-year)
- CO_2 emissions from fuel consumption: 39,000 tons of CO_2 (17.5% increase year-on-year)
- PFC and SF6 emissions (CO_2 equivalent): 60,000 tons of CO_2 (20.8% increase year-on-year)
- CO_2 reduction based on use of our products: 2.09 million tons of CO_2 (21.6% decrease year-on-year)

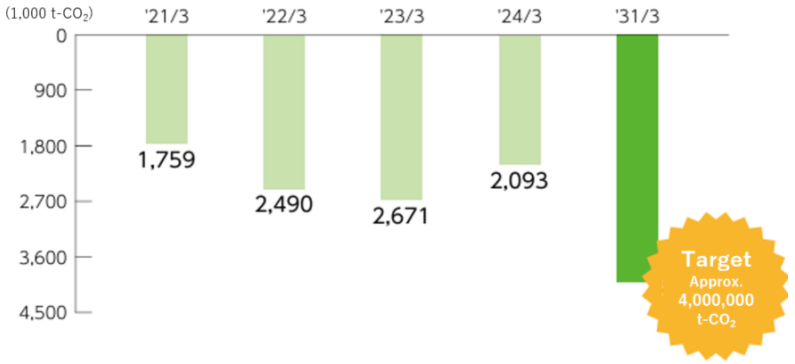
＊The calculation method for Scope 2 has been changed from location-based to market-based.

■Supply chain emissions (Scopes 1, 2, & 3)

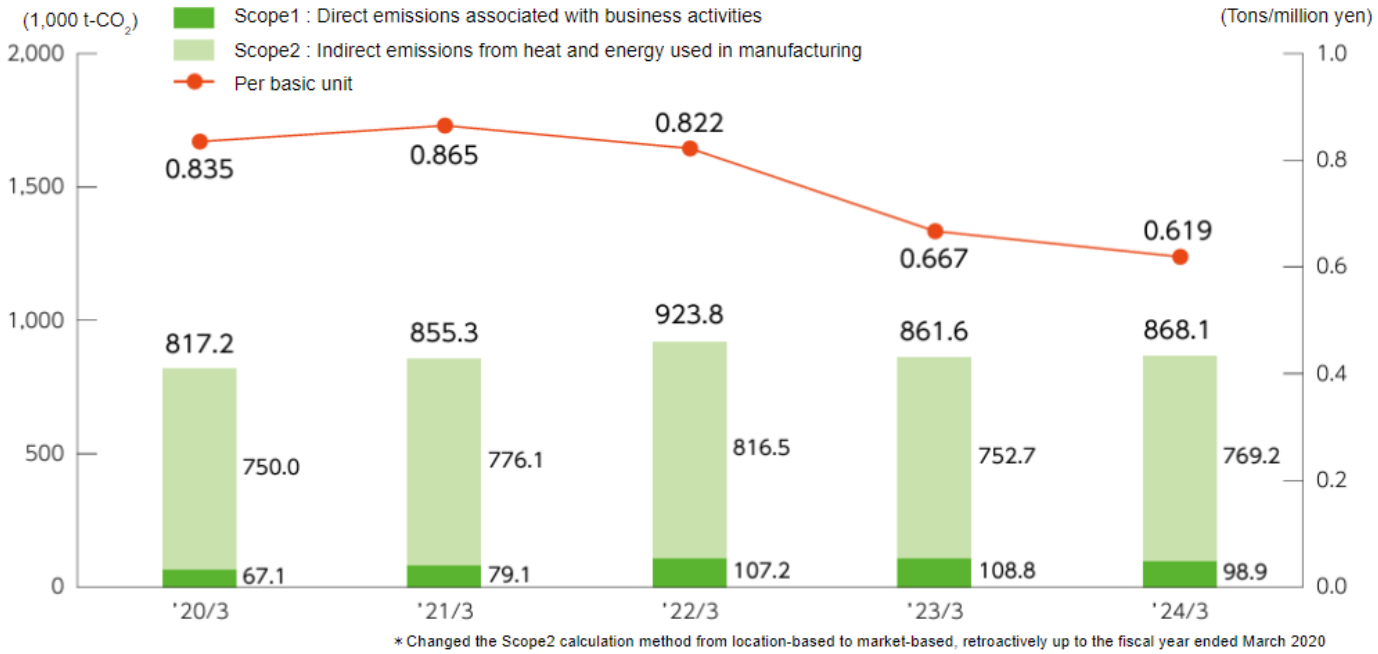
(Units:1000t-CO2)

		'24/3	Verified
Scope1		99	●
Scope2 *		769	●
Scope3		34,360	●
Category 1	Purchased goods and services	4,127	●
Category 2	Capital goods	278	●
Category 3	Fuel-and energy-related activities (not included in scope 1 or scope 2)	113	●
Category 4	Upstream transportation and distribution	237	●
Category 5	Waste generated in operations	15	●
Category 6	Business travel	14	●
Category 7	Employee commuting	50	●
Category 8	Uptream leased assets	–	
Category 9	Downstream transportation and distribution	0.2	●
Category 10	Processing of sold products	579	●
Category 11	Use of sold products	28,938	●
Category 12	End-of-life treatment of sold products	7.1	●
Category 13	Downstream leased assets	–	
Category 14	Franchises	–	
Category 15	Invesments	2.8	●

■CO_2 emissions reduction based on use of our products



■Greenhouse gas emissions (Scopes 1 & 2)



* Changed the Scope2 calculation method from location-based to market-based, retroactively up to the fiscal year ended March 2020