



Creation of Environmental and Social Values

**Message from the Officer in Charge of Sustainability**

VALUE CREATION

**Working toward a sustainable future  
by creating environmental and social value with SDG-  
contributing products and reduced greenhouse gas  
emissions**

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### Defining KPIs to contribute to creation of environmental and social values

By creating new value contributing to the environment and society, we aim to build a structure ensuring our existing and new businesses will continue to generate profits into the future. As part of this, two of the KPIs we have set for our Group are the sales revenue ratio of SDG-contributing products and reduction in emissions of greenhouse gases (GHG). We set targets for each fiscal year with a view to achieving our targets for 2030. In FY2024, we achieved our targets for both of these KPIs.

### Efforts to create SDG-contributing products

The SDGs Promotion Committee, which leads our Group's environmental and social value creation activities, accredits SDG-contributing products, SDG-contributing technologies, and SDG-contributing activities. The Committee met 12 times in FY2024. Most of our Group's products are BtoB products, which means they go through multiple customers before the final product is supplied to the market. Therefore, when accrediting SDG-contributing products, the Committee discusses which targets a product contributes to, how, and to what extent, using objective criteria based on actual measurements or publicly available data. When considering Goal 7 (Affordable and Clean Energy) and Goal 13 (Climate Action) in particular, an important criterion is the carbon footprint of the product over its whole life cycle, from raw materials to final disposal. We endeavor to conduct a stringent review process to avoid "greenwashing" (falsely claiming that a product contributes to the SDGs). Each month, we hold lively discussions about products under development with the directors of each research laboratory. As a manufacturer, we are fostering a culture of awareness of how we can contribute to the SDGs from the development stage.

### Efforts to reduce GHG emissions

Based on our Environmental Vision for 2050 formulated in March 2020, the Carbon Neutrality Promotion Committee, which oversees the Carbon Neutrality Technology Review Subcommittee and the Life Cycle (LC) Subcommittee, is working on reducing GHG emissions. In FY2024, the Committee, which meets twice a year, shared the Group's annual targets and individual targets for each business site based on these, as well as implementing ongoing educational activities including e-learning, which I feel have increased understanding within the whole company. Specifically, the Committee promoted the installation of solar panels and provided guidance on the introduction and continuous use of renewable energy. As a result, in May 2025, we received SBTi certification for our GHG reduction targets (Scope 1 + 2) in line with our Group's 1.5°C scenario target. For Scope 3, we aim to reduce Category 1, 4, 5, and 12 emissions. Category 1, which makes up over 70% of CO<sub>2</sub> emissions, is a challenge we cannot tackle alone, so we intend to further deepen collaboration with our suppliers.

### Maintaining objectivity and transparency of sustainability

As a Group, we will continue to work hard on sustainability issues including the creation of environmental and social values. We consider objective evaluations by external organizations to be an important part of this. Specifically, we are

taking part in international initiatives including Science Based Targets (SBT), which promotes the setting of targets for reducing GHG emissions based on scientific evidence, and the United Nations Global Compact (UNGC), which promotes corporate social responsibility. These activities clearly demonstrate our commitment to sustainability, both within and outside the Company.

We have also been evaluated by CDP, an international non-profit organization for disclosure of sustainability-related information, and FTSE Russell, a global provider of stock market indices. Taking these evaluation results into account, we will objectively review our efforts toward sustainability, striving for continuous improvement.

Furthermore, we will actively exchange opinions and share information with a diverse range of stakeholders, including customers, employees, investors, and local communities, striving to maintain and improve transparency and reliability.