

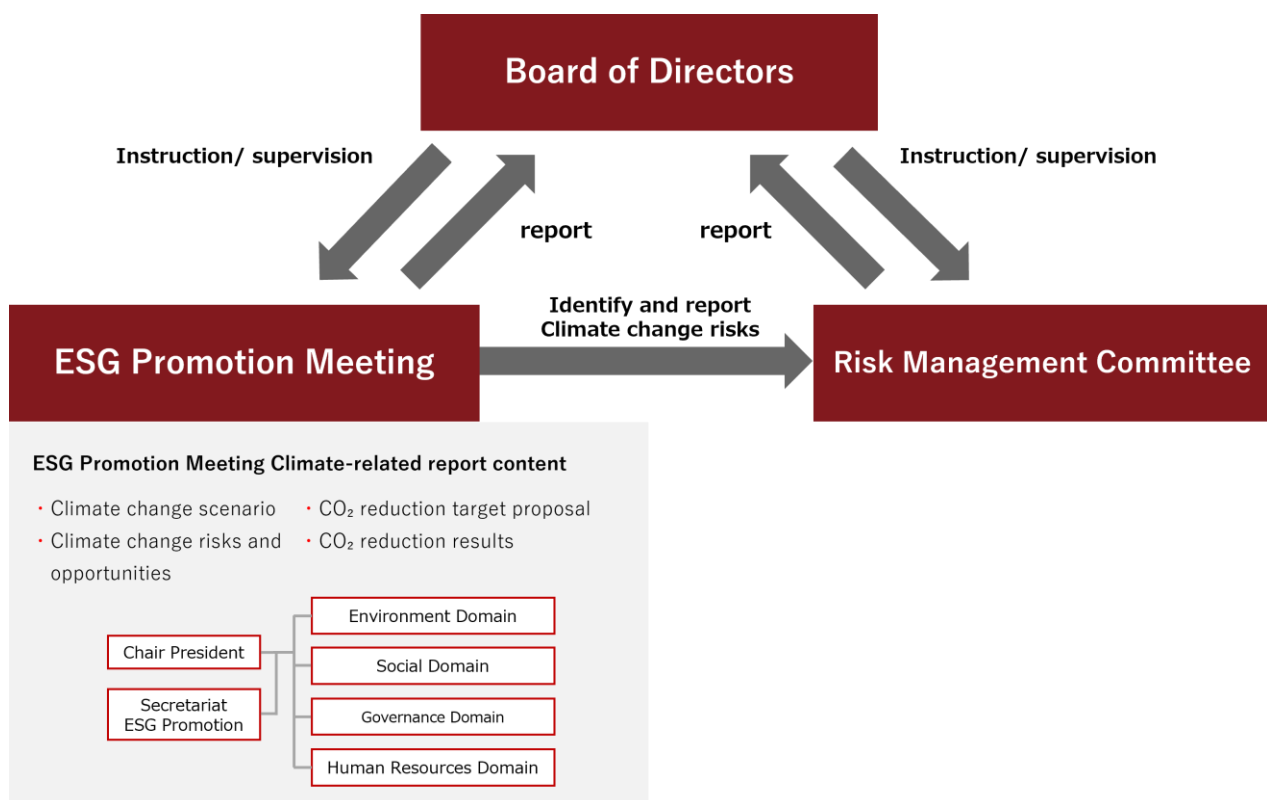
TCFD Information Disclosure



Based on the purpose of “Supporting People and the Earth through Seating Technology” we will continue to provide both social and economic value. In addition, we have set “A company that is kind to people and nature” as the basic philosophy of our environmental policy, and in May 2022, we agreed with the TCFD (Task Force on Climate-related Financial Information Disclosure) recommendations. Analyze risks and opportunities that our business poses from climate change scenarios, provide feedback to strategy and risk management, and lead to an increase in corporate value.

Governance

We are continuously implementing CO2 reduction activities to address climate change issues, with the core of our corporate activities being “Supporting People and the Earth through Seating Technology”. Regarding these initiatives, the ESG Promotion Meeting, chaired by the president, approves the activity policy and follows up on the progress of each quarter. The contents of the ESG Promotion Meeting are regularly reported to the Board of Directors and reflected in activities Under the direction and supervision of the Board of Directors.



Strategy

We examine scenarios in which the average temperature at the end of this century will rise by 4°C compared to pre-industrial levels, and scenarios in which the temperature will be limited to a 1.5 °C increase, and we extract climate-related risks and opportunities for our businesses. The following is a list of climate-related risks with high-risk ratings based on the evaluation by the company-wide Risk Management Committee.

	Risks Classification	Factors	Impact on our company	Impact Time	Impact Level	Financial Impact	Correspondence
Transition Risk 1.5°C Scenarios	Policy / Legal Regulations	Strict laws and regulations such as carbon tax will be implemented to keep the average temperature rise to around 1.5°C	• Increase in energy costs at business locations • Increase in material procurement costs • Increase in logistics costs	Mid-term	Medium	Increase in energy costs due to the introduction of carbon tax. 770 million yen (consolidated)	• Continuation and expansion of energy saving activities • Expansion of use of renewable energy • Energy saving and renewable energy in the supply chain • Improve transportation efficiency by improving logistics
	Market / Technology	Awareness of greenhouse gas reduction permeates consumers	• Decrease in demand for products with high CO2 emissions in the life cycle	Mid-term	Large	Sales decrease of contemporary seat frame products 7.7 billion yen (consolidated)	• Deepening of conventional technology that leads to low carbon new technology development
Physical Risk 4°C Scenarios	Acute	Global CO2 reduction remains at current levels, with average temperatures rising by 4°C and frequent torrential rains and unusually high temperatures	• Factory flooding • Supply chain disruption	Short Term	Medium	Reduced sales during the operation stop due to factory flooding 3.2 billion yen (per site)	• Implement early recovery by formulating BCP
Opportunity 1.5°C Scenarios	Products / Services	Awareness of greenhouse gas reduction permeates consumers	• Demand increase products with low CO2 emissions in the life cycle	Mid-term	Large	Sales increase of newer seat frame products 15.7 billion yen (consolidated)	• Development of smaller and lighter products • Application of plant-derived materials

Referenced scenarios

4°C : IPCC RCP8.5 IEA STEPS Public Policy Scenario, CPS Current Policy Scenario

1.5°C : IPCC RCP2.6 IEA SDS Sustainable Scenario, NZE 2050 Substantive Zero Scenario

Impact period : Short term → within 3 years, medium term → around 2030, long term → around 2050

Impact level : Calculated from the likelihood of occurrence (5 levels) x financial impact (5 levels)

Based on the results of scenario analysis, we will reflect the newly necessary measures in our management strategy, work to strengthen the resilience of our business, and effort to disclose information.

Risk Management

Climate change risks are identified at the ESG Promotion Meeting, and the Risk Management Committee reviews them regularly once a year, including climate change risks. Evaluate the importance of risk by "damage scale" and "frequency of occurrence" when risk occurs, and the contents are reported from the Risk Management Committee to the Board of Directors.

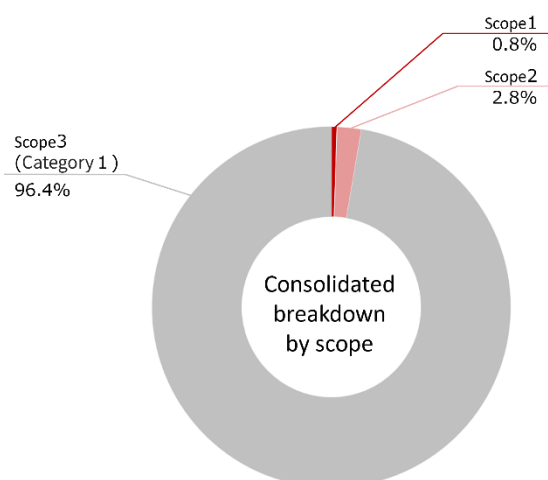
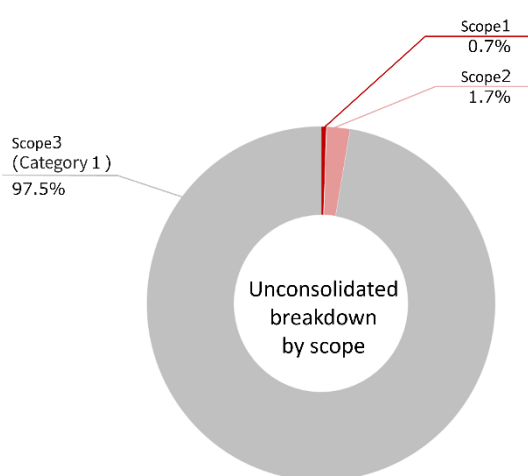
In reaction to the risk assessment, the relevant subcommittees set measures to be taken and target values. We are promoting risk management activities.

✕ [Link to risk management](#)

Metrics & Targets

Aiming for carbon neutrality in 2050, we have set the following as indicators and intermediate goals.

Index	Group Consolidated /Unconsolidated	2022 results	2023 results	2024 results ※4
Scope 1 + 2	Consolidated	33,152 t-CO ₂	33,822 t-CO ₂ BSI Independent Assurance Statement※3	35,294 t-CO ₂ ※1
Scope 3 (Category 1)※2	Consolidated	805,432 t-CO ₂	973,249 t-CO ₂ BSI Independent Assurance Statement※3	930,930 t-CO ₂
Scope 1 + 2	Unconsolidated	7,151 t-CO ₂	7,066 t-CO ₂	7,801 t-CO ₂ (12% reduction compared to FY2019)
Scope 3 (Category 1)※2	Unconsolidated	257,781 t-CO ₂	329,104 t-CO ₂	292,944 t-CO ₂



➤ [Trends in greenhouse gas emissions \(By scope\)](#)

■ 2030 target

- Scope 1 and 2 CO₂ total emission reduction : ▲50% compared to FY2019

※1 Scope 2 Market-based for Domestic, China and Thailand and Latin America, Location-based for North America.
 ※2 Calculated from Scope 3 "Emissions intensity database ver3.2 for calculating greenhouse gas emissions of organizations through the supply chain", category 1 to 8 are calculated and category 1 accounts for 95% or more, so only category 1 is listed.
 ※3 Third-party assurance by the British Standards Institution (BSI)
 ※4 Plan to obtain third-party assurance