Kanadevia
Technology for people and planet

Kanadevia Corporation

ESG Databook 2024

October 2024

[Environmental data annual report (FY2023)]

The marks of ★ indicate that the items are assured by an independent third party. (1-2 Scpoe1,2)

1 Environmental Load from Operations GRI302-1,302-4

1-1 Energy input

		Unit	FY2013 (base year)	FY2021	FY2022	FY2023
Energy input Note 2,3		**GJ**	**(6,170,903)**	**(5,357,461)**	**(4,441,664)**	**(4,291,317)**
In-house power generation from photovoltaic		**MWh**	**-**	**2,205**	**2,219**	**2,430**
Electricity (Note 2)	Electricity (total)	MWh (GJ)	63,560 (628,302)	63,837 (629,642)	61,026 (598,717)	69,435 (597,308)
	(In-house generation from PV)	MWh (GJ)	- (-)	2,205 (7,938)	2,219 (21,657)	2,430 (8,746)
	(Power selling from PV)	MWh (GJ)	- (-)	1,923 (6,923)	1,936 (18,897)	1,912 (6,882)
	(Purchases)	MWh (GJ)	63,560 (628,302)	63,555 (628,627)	60,743 (595,957)	68,917 (595,444)
Fuel oil	Fuel oil (total)	kl (GJ)	73,047 (2,849,812)	10,006 (383,229)	9,580 (365,124)	6,134 (232,970)
	(Gasoline)	kl (GJ)	304 (10,514)	326 (11,286)	313 (10,845)	441 (14,721)
	(Kerosine)	kl (GJ)	149 (5,452)	76 (2,777)	238 (8,746)	470 (17,157)
	(Diesel)	kl (GJ)	3,559 (134,157)	4,540 (171,143)	5,328 (200,855)	2,334 (88,705)
	(Heavy oil A)	kl (GJ)	68,902 (2,694,074)	5,065 (198,023)	3,700 (144,678)	2,889 (112,388)
	(Heavy oil B)	kl (GJ)	134 (5,615)	0 (0)	0 (0)	0 (0)
Fuel gas	Fuel gas (total)	(GJ)	- (2,692,789)	- (4,342,461)	- (3,475,873)	- (3,458,117)
	(LPG)	tonne (GJ)	815 (41,421)	468 (23,782)	379 (19,276)	368 (18,415)
	(LNG)	tonne (GJ)	48,267 (2,635,386)	78,716 (4,297,867)	62,916 (3,435,219)	62,273 (3,406,333)
	(City gas)	thousand ㎥ (GJ)	341 (15,255)	449 (20,131)	465 (20,811)	819 (32,826)
	(Acetylene)	thousand ㎥ (GJ)	15 (728)	11 (538)	11 (493)	9 (543)
	(Combustion gas)	thousand ㎥ (GJ)	0 (0)	3 (144)	2 (74)	0 (0)
Steam	Steam (total)	tonne (GJ)	- (-)	1,565 (2,129)	1,054 (1,950)	2,148 (2,922)
	(for heating)	tonne (GJ)	- (-)	1,565 (2,129)	1,054 (1,950)	2,148 (2,922)

1-2 Greenhouse Gases Emissions through value chain

GRI305-1,305-2,305-3,305-5

		Unit	FY2013 (base year)	FY2021	FY2022	FY2023
GHGs Emissions Note 2,4						
Scope1＋Scope2 (BM ratio)		$kt\text{-}CO_2e$ (%)	369.9 (-)	265.6 (-28.2%)	214.6 (-42.0%)	223.4 (-39.7%)
Scope1	Direct emissions from in-house fuel use and manufacturing processes	$kt\text{-}CO_2e$ (%)	336.9 (-)	251.0 (-25.5%)	198.0 (-41.2%)	204.1 (-39.5%)
	For third party assurance	$kt\text{-}CO_2e$ (%)	- (-)	- (-)	- (-)	201.0★ (-)
Scope2	Indirect emissions associated with the use of electricity and heat purchased by the company	$kt\text{-}CO_2e$ (%)	33.0 (-)	14.6 (-55.9%)	16.6 (-49.7%)	19.3 (-41.5%)
	For third party assurance	$kt\text{-}CO_2e$ (%)	- (-)	- (-)	- (-)	16.4★ (-)
Scope3	Emissions of other companies related to the business activities	$kt\text{-}CO_2e$ (%)	- (-)	2.6 (-)	7.2 (-)	26,260.7 (-)
Category 1	Purchased goods and services	$kt\text{-}CO_2e$ (%)	- (-)	- (-)	- (-)	1,321.6 (-)
Category 2	Capital goods	$kt\text{-}CO_2e$ (%)	- (-)	- (-)	- (-)	18.5 (-)
Category 3	Fuel and Energy	$kt\text{-}CO_2e$ (%)	- (-)	- (-)	- (-)	54.4 (-)
Category 4	Upstream transportation	$kt\text{-}CO_2e$ (%)	- (-)	2.6 (-)	7.2 (-)	31.5 (-)
Category 5	Waste generated in operations	$kt\text{-}CO_2e$ (%)	- (-)	- (-)	- (-)	0.9 (-)
Category 6	Business Trip	$kt\text{-}CO_2e$ (%)	- (-)	- (-)	- (-)	1.6 (-)
Category 7	Employee's commuting	$kt\text{-}CO_2e$ (%)	- (-)	- (-)	- (-)	3.8 (-)
Category 8	Upstream leased assets	$kt\text{-}CO_2e$ (%)	- (-)	- (-)	- (-)	N/A (-)
Category 9	Downstream transportation	$kt\text{-}CO_2e$ (%)	- (-)	- (-)	- (-)	1.6 (-)
Category 10	Processing of sold products	$kt\text{-}CO_2e$ (%)	- (-)	- (-)	- (-)	N/A (-)
Category 11	Use of sold products	$kt\text{-}CO_2e$ (%)	- (-)	- (-)	- (-)	24,812.9 (-)
Category 12	End of life treatment of products	$kt\text{-}CO_2e$ (%)	- (-)	- (-)	- (-)	3.3 (-)
Category 13	Downstream leased assets	$kt\text{-}CO_2e$ (%)	- (-)	- (-)	- (-)	3.0 (-)
Category 14	Franchise	$kt\text{-}CO_2e$ (%)	- (-)	- (-)	- (-)	N/A (-)
Category 15	Investment	$kt\text{-}CO_2e$ (%)	- (-)	- (-)	- (-)	7.6 (-)

1-3 Greenhouse Gases Emissions GRI305-1,305-5

		Unit	FY2013 (base year)	FY2021	FY2022	FY2023
GHGs Emissions (Scope1,2) (Total) Note 2,4		**kt-CO_2e**	**369.9**	**265.6**	**214.6**	**223.4**
CO_2 from energy	Total	kt-CO_2e	369.9	265.6	214.0	212.0
	Scope1	kt-CO_2e	336.9	251.0	197.4	192.7
	Scope2	kt-CO_2e	33.0	14.6	16.5	19.3
GHGs other than CO_2 from energy (Scope1)	Total	kt-CO_2e	-	-	0.6	11.4
	Carbon dioxide (CO_2)	kt-CO_2e	-	-	0.6	10.1
	Methane (CH_4)	kt-CO_2e	-	-	-	0.3
	Nitrous oxide (N_2O)	kt-CO_2e	-	-	-	0.4
	Hydrofluorocarbon (HFCs)	kt-CO_2e	-	-	-	0.6
	Perfluorocarbon (PFCs)	kt-CO_2e	-	-	-	-
	Sulfur hexafluoride (SF_6)	kt-CO_2e	-	-	-	-
	Nitrogen trifluoride (NF_3)	kt-CO_2e	-	-	-	-

1-4 Raw Material Inputs GRI301-1

		Unit	FY2020	FY2021	FY2022	FY2023
Raw materials Note 2	Steel material	tonne	24,362	19,962	21,878	32,321
	Paints	tonne	336	207	279	422
	Welding materials	tonne	790	323	47	149
	Plastics, resins	tonne	-	-	-	376
	Others	tonne	-	-	-	207
Paper usage Note 5	Paper usage	tonne	95	21	53	24
	Intensity (Paper consumption per employee)	kg	21.3	4.9	12.0	5.5

* Figures before FY2021 are reference values.

1-5 Waste and Valuables Generated GRI306-1,306-2,306-3,306-4,306-5

1-5-1 Waste generated by Kanadevia Corporation (formerly Hitachi Zosen Corporation) and manufacturing subsidiaries

		Unit	FY2020	FY2021	FY2022	FY2023
Generated volume (total amount) Note 2,6		**tonne**	**9,154**	**9,431**	**8,091**	**11,042**
Volume reduction		tonne	-	-	500	1,046
Amount recycled	Reuse	tonne	-	-	-	-
	Material recycle	tonne	-	-	7,500	9,626
	Thermal recycle	tonne	-	-	500	1,046
	(Material recycle rate)	%	-	-	92.7	87.2
Final disposal volume		tonne	-	-	192	392
(Landfill rate)		%	-	-	2.4	3.5
Hazardous waste		tonne	-	-	113.4	147.7

1-5-2 Waste generated by non-manufacturing subsidiaries

	Unit	FY2020	FY2021	FY2022	FY2023
Generated volume (total amount) Note 2,6	**tonne**	**-**	**-**	**-**	**422**
Municipal waste	tonne	-	-	-	343
Industrial waste	tonne	-	-	-	16
Hazardous waste	tonne	-	-	-	64

1-5-3 Waste related to on-site construction

	Unit	FY2020	FY2021	FY2022	FY2023
Generated volume (total amount) Note 2,6	**tonne**	**-**	**-**	**-**	**33,470**
Municipal waste	tonne	-	-	-	52
Industrial waste	tonne	-	-	-	33,102
Hazardous waste	tonne	-	-	-	316

1-6 Water Resource Input GRI303-1,303-3,303-5

		Unit	FY2020	FY2021	FY2022	FY2023
Water (total amount) Note 2,7		**thousand m^3**	**1,050**	**1,040**	**1,426**	**1,493**
Surface water	Tap water	thousand m^3	130	120	198	429
	Industrial water	thousand m^3	920	920	1,228	1,063

1-7 Water Effluents Discharged GRI303-1,303-4,303-5

	Unit	FY2020	FY2021	FY2022	FY2023
Water effluents discharged (total amount) Note 2,7	**thousand m^3**	**571**	**560**	**1,426**	**1,493**
Public water bodies (rivers, seas)	thousand m^3	-	-	704	913
Sewerage	thousand m^3	-	-	69	83
Evaporation, underground seepage, etc.	thousand m^3	-	-	653	496
COD	kg	-	-	-	772
BOD	kg	-	-	-	915

1-8 Chemical Substances Handled GRI305-1,305-6,305-7

		Unit	FY2020	FY2021	FY2022	FY2023
Chemicals handled (total amount) Note 2,8		**tonne**	**128.7**	**101.5**	**91.4**	**141.2**
Chemical Substances Handled	PRTR substances	tonne	121.6	94.4	84.0	131.6
	Ozone-depleting substances	tonne	1.8	1.7	1.7	1.0
	Greenhouse gas substances	tonne	5.3	5.4	5.7	8.6

* Figures before FY2021 are reference values.

1-9 Chemical Substances Discharged or Transferred GRI305-1,305-6,305-7

		Unit	FY2020	FY2021	FY2022	FY2023
Discharges and Transfers (total amount) Note 2,8		**tonne**	**262.8**	**268.0**	**239.6**	**232.4**
Chemical Substances Discharged or Transferred	PRTR substances	tonne	63.0	52.3	57.1	58.2
	Sulfer oxides (SOx)	tonne	5.7	3.8	6.6	4.8
	Nitrogen oxides (NOx)	tonne	194.1	212.0	175.9	169.3

* Figures before FY2021 are reference values.

1-10 Environmental Accounting GRI308-2

		Unit	FY2020		FY2021		FY2022		FY2023	
Environemntal accounting Note 2			**Invest**	**Cost**	**Invest**	**Cost**	**Invest**	**Cost**	**Invest**	**Cost**
Environmental conservation costs	Business area costs	Million JPY	402	376	290	184	7	162	44	106
	Upstream/downstream costs	Million JPY	0	0	0	36	0	0	0	0
	Management activity costs	Million JPY	0	5	1	15	30	12	0	153
	R&D costs	Million JPY	58	3,012	347	2,316	5,389	1,923	7,558	1,671
	Social activity costs	Million JPY	0	1	0	3	36	1	0	3
	Environmental damage response costs	Million JPY	0	6	0	59	0	0	0	5

2 Environment Management Data

2-1 Number of ISO 14001 Certified Companies GRI103-1, 103-2, 103-3

	Unit	FY2021	FY2022	FY2023
Number of ISO14001 certified companies (total) Note 9	**Companies**	**12**	**11**	**12**
Japan	Companies	9	8	9
Others	Companies	3 (One of them is companies accounted for using the equity method)	3 (One of them is companies accounted for using the equity method)	3 (One of them is companies accounted for using the equity method)

2-2-1 Number of Regulatory Violations and Complaints Note 10 GRI307-1

		Unit	FY2021	FY2022	FY2023
Regulatory violations	Water quality	Cases	0	0	2
	Air quality	Cases	0	0	2
	Waste materials	Cases	0	0	0
	Other (equipment registration, etc.)	Cases	0	0	0
Complaints		Cases	2	1	0

2-2-2 Envionment-related fines and penalties Note 11

		Unit	FY2021	FY2022	FY2023
Number of cases paid over 1 million JPY	Japan	Cases	-	-	0
	Others	Cases	-	-	0

(Notes)

1 Calculation methods for environmental load data

The standards, guidelines, etc. below are used for determining the scope, base year data, calculation methods, etc.

Item	Guidelines, etc.
General	・GRI (Global Reporting Initiative) Sustainability Reporting Standards
Energy	・The Greenhouse Gas Protocol (GHG Protocol) developed by the World Business Council for Sustainable Development ・Manual for Calculating and Reporting Greenhouse Gas Emissions, Ver. 4.8 (Ministry of the Environment, Japan)
Waste	・Japanese Act on Waste Management and Public Cleaning (Act No. 1375, 1970)
VOCs and other chemical substances	・Japanese Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement (hereinafter referred to "PRTR Law") (Act No. 86, 1999)

2 Report boundary and coverage ratios (calculated based on consolidated sales) for each item are as follows.

1) Energy input / GHG emissions (Scope1,2)

FY	Report boundary	Coverage ratio	Remarks
2023	Hitz, 69 Japanese subsidiaries, 28 foreign subsidiaries (total 98 companies)	95%	Ohnami Corporation is excluded from the consolidation. The Scope 1 and 2 third-party assurance targets are emissions in Japan from Hitz and its subsidiaries.
2022	Hitz, 13 Japanese subsidiaries, 6 foreign subsidiaries (total 20 companies)	83%	Nippon Pusnes Co., LTD and its wholly owned subsidiary, Setozaki Iron Works Co., LTD are excluded from the scope of consolidation.
2021	Hitz, 15 Japanese subsidiaries, 4 foreign subsidiaries (total 20 companies)	82%	-
2013	Hitz, 15 Japanese subsidiaries, 1 foreign subsidiaries (total 17 companies)	88%	To set the benchmark value, the results of interviews on actual results for fiscal 2018 and 2021 were used as a basis, and for subsidiaries for which data was unavailable, estimates were made based on the ratio of sales.

* "Hitz" refers to Kanadevia Corporation (formerly Hitachi Zosen Corporation). The same applies hereinafter.

* "Subsidiaries" refer to consolidated subsidiaries unless otherwise specified.

2) GHG emissions (Scope3)

FY	Report boundary	Coverage ratio	Remarks
2023	Hitz, 65 Japanese subsidiaries, 46 foreign subsidiaries (total 112 companies)	99%	Categories 1,2,3,4,5,6,7,9,11,12,13,15 are calculated.
2022	Hitz, 4 Japanese subsidiaries (total 5 companies)	48%	Category 4 is calculated.
2021	Hitz, 1 Japanese subsidiaries (total 2 companies)	47%	Category 4 is calculated.

3) Raw Material Inputs

The input amount of raw materials is tallied for companies with manufacturing processes. The coverage ratio is calculated based on the number of companies. The total numbers of companies with manufacturing processes in the relevant fiscal year in the remarks column are entered.

FY	Report boundary	Coverage ratio	Remarks
2023	Hitz, 6 manufacturing subsidiaries (total 7 companies)	37%	19 companies with manufacturing processes
2022	Hitz, 1 manufacturing subsidiaries (total 2 companies)	13%	16 companies with manufacturing processes
2021	Hitz, 1 manufacturing subsidiaries (total 2 companies)	11%	18 companies with manufacturing processes
2020	Hitz, 1 manufacturing subsidiaries (total 2 companies)	12%	17 companies with manufacturing processes

4) Waste and Valuables Generated

The amount of waste and valuables generated is calculated by dividing it into waste generated by companies with manufacturing processes and other waste. The coverage rate is calculated based on the number of companies. The denominator is entered in the remarks column.

FY	Report boundary	Coverage ratio	Remarks
2023	(1) Waste generated by Hitz and its manufacturing subsidiaries: Hitz and 10 manufacturing subsidiaries (6 Japanese and 4 foreign) (total of 11 companies)	58%	Total number of companies with manufacturing processes: 19
	(2) Waste generated by non-manufacturing subsidiaries: 48 Japanese subsidiaries, 12 foreign subsidiaries (total 60 companies)	54%	Total number of non-manufacturing subsidiaries (excluding (1) and (3)): 112 companies
	(3) Waste related to on-site construction: Hitz, 3 Japanese subsidiaries, and 1 foreign subsidiary (total of 5 companies)	-	Waste related to on-site construction includes waste from JVs, so the coverage ratio is not been calculated.
2022	Hitz, 1 manufacturing subsidiary (total 2 companies)	13%	Total number of companies with manufacturing processes: 16
2021	Hitz, 1 manufacturing subsidiary (total 2 companies)	11%	Total number of companies with manufacturing processes: 18
2020	Hitz, 1 manufacturing subsidiary (total 2 companies)	12%	Total number of companies with manufacturing processes: 17

5) Water Resource Input, Water Effluents Discharged

FY	Report boundary	Coverage ratio	Remarks
2023	Hitz, 60 Japanese subsidiaries, 23 foreign subsidiaries (total 84 companies)	94%	-
2022	Hitz, 13 Japanese subsidiaries, 5 foreign subsidiaries (total 19 companies)	81%	-
2021	Hitz, 1 Japanese subsidiary (total 2 companies)	47%	-
2020	Hitz, 1 Japanese subsidiary (total 2 companies)	51%	-

6) Chemical Substances Handled

FY	Report boundary		Coverage ratio	Remarks
2023	[PRTR]	Hitz and 4 Japanese subsidiaries (total 5 companies)	-	This applies to companies (Japanese) that handle chemical substances and are required to manage them under the PRTR Law and other laws.
	[other]	Hitz	-	
2022	[PRTR]	Hitz and 3 Japanese subsidiaries (total 4 companies)	-	-
	[other]	Hitz	-	-
2021	Hitz		-	-
2020	Hitz		-	-

7) Chemical Substances Discharged or Transferred

FY	Report boundary		Coverage ratio	Remarks
2023	[PRTR]	Hitz and 4 Japanese subsidiaries (total 5 companies)	-	This applies to companies (Japanese) that handle chemical substances and are required to manage them under the PRTR Law and other laws.
	[SOx]	Hitz	-	
	[NOx]	As same as Energy input/GHG emissions (Scope 1,2)	95%	-
2022	[PRTR]	Hitz and 3 Japanese subsidiaries (total 4 companies)	-	-
	[SOx]	Hitz	-	-
	[NOx]	As same as Energy input/GHG emissions (Scope 1,2)	83%	-
2021	[PRTR]	Hitz and 1 Japanese subsidiary (total 2 companies)	-	-
	[SOx]	Hitz	-	-
	[NOx]	As same as Energy input/GHG emissions (Scope 1,2)	82%	-
2020	[PRTR]	Hitz and 1 Japanese subsidiary (total 2 companies)	-	-
	[SOx]	Hitz	-	-
	[NOx]	Hitz and 1 Japanese subsidiary (total 2 companies)	51%	-

8) Environmental Accounting

FY	Report boundary	Coverage ratio	Remarks
2023	Hitz and 5 Japanese subsidiaries (total 6 companies)	42%	-
2022	Hitz and 4 Japanese subsidiaries (total 5 companies)	48%	-
2021	Hitz and 1 Japanese subsidiary (total 2 companies)	47%	-
2020	Hitz and 1 Japanese subsidiary (total 2 companies)	51%	-

3 Energy input

1) Energy inputs are calculated based on Japanese Act on Rationalization of Energy Use and Shift to Non-fossil Energy (Act No. 49, 1979).
2) For the electricity calorific value conversion for overseas subsidiaries, the Japanese leveled hourly calorific value (8.64 GJ/MWh) is used.
3) We have reviewed data from fiscal year 2021 onwards regarding the amount of self-generated electricity through solar power generation and the amount of electricity sold to external parties through solar power generation.
4) The significant decrease in diesel and heavy oil A consumption in fiscal 2023 compared to the previous fiscal year is due to a decrease in the amount of heavy oil A consumed at Hitz factories and a decrease in the amount of heavy equipment fuel (diesel) used in on-site construction at Hitz and its Japanese subsidiaries.
5) Regarding Mixed Gases that were previously classified as Combustion Gases, from FY2023 they will be included in the calculation of LPG and LNG separately based on the composition ratio.

4 Greenhouse Gases Emissions

1) Main Criteria and Factors for Scope 1,2 and 3 Calculations
   - Calculations were made with reference to the GHG Protocol Financial Standards, GHG Protocol "Emission Factors from Cross-Sector Tools (March 2017)," Japanese Act on Promotion of Global Warming Countermeasures (Act No. 117, 1998), and Japanese Act on Rationalization of Energy Use and Conversion to Non-Fossil Energy (Act No. 49, 1979), etc.

   - Emission factors for fuel oil and fuel gas are based on the "List of calculation methods and emission factors in the calculation, reporting and disclosure system" published by the Ministry of the Environment Japan.
   - For emission factors of city gas and heat, in Japan, the basic emission factors for each gas supplier and the basic emission factors for each heat supplier based on Japanese Act on Promotion of Global Warming Countermeasures (Act No. 117, 1998) are used. In foreign countries, the emission factors of the contracted supplier at each business location or the IEA country-specific emission factors are used.
   - CO_2 from electricity usage was calculated based on market standards. For Japan, the electricity CO_2 emission coefficient was calculated using the adjusted emission coefficient for each power company based on Japanese Act on Promotion of Global Warming Countermeasures (Act No. 117, 1998), and for foreign countries, the emission coefficient for the contracted electricity at each business site or the IEA country-specific emission coefficient was used.
   - The coefficients used in the calculation of Scope 3 emissions were taken from the Ministry of the Environment Japan "Emissions Unit Database for Calculating Organizations' Greenhouse Gas Emissions Throughout the Supply Chain (Ver 3.4)" and IDEA (Inventory Database for Environmental Analysis, Japan) v3.4 developed by the National Institute of Advanced Industrial Science and Technology.
2) In addition to CO_2, Scope 1 also includes CH_4, N_2O, HFCs, PFCs, SF_6, and NF_3. Note that there are no emissions of perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), or nitrogen trifluoride (NF_3). Non-energy-related GHG emissions (Scope 1) from activities subject to calculation were calculated in accordance with Japanese former Act on Promotion of Global Warming Countermeasures.
3) The Scope 1 and 2 third-party assurance targets are emissions in Japan from Hitz and its subsidiaries.

4) Scope3
   - Category 8 is excluded as it is included in Scope 1 and 2.
   - Category 10 is excluded because the processing method is unknown.
   - The breakdown of category 11 is 24,019.2 kt-CO_2e from the use of marine engines sold and 793.8 kt-CO_2e from the use of other products sold.
     Emissions from the use of marine engines sold were calculated using the following formula:
     Marine engine category 11 = "fuel efficiency rate" x "rated output" x "annual operating hours" x "operating load" x "product usage period (20 years)"
     x "number of units delivered in the current fiscal year"
     The fuel efficiency rate of marine engines sold is assumed to be 161.3 to 179.0 g/kWh.
     Note that the actual fuel efficiency rate is currently under investigation, and the fuel efficiency rate may be reviewed from next fiscal year onwards.
   - Category 14 is outside the business scope of Hitz-Consolidated Group.
   - Category 15 covers 2 equity method affiliates (Naikai Zosen Corporation and Ohnami Corporation).

5) From FY2023, GHG emissions will be shown separately for energy-related and non-energy-related emissions. Up until FY2022, emissions will be shown including Scope1 from energy sources.

6) The figures for FY2022 data have been revised from the "Integrated Report 2023" and "Environmental Data 2023" due to revisions to calculation methods and scope of calculation, etc. The items to be corrected are shown below.
   - Integrated Report P.72, Achieving carbon neutrality: Energy input in fiscal 2022, GHG emissions in fiscal 2022 (https://www.hitachizosen.co.jp/english/ir/data/pdf/ir2023_E_A3.pdf)

   - Environmental Data 2023 P.1, 1-1 Energy input, 1-2 Greenhouse Gases Emitted (https://www.hitachizosen.co.jp/english/ir/data/pdf/EnvironmentalData2023.pdf)

5 Raw Materials Inputs
   - The amount of paper used is calculated as the amount of waste paper generated as municipal waste.

6 Waste and Valuables Generated

1) The amount generated is the sum of municipal waste and industrial waste generated.
2) The volume reduction is the amount of thermal recycling in Japan, which is the amount of intermediate treatment minus the amount of residual intermediate treatment.
3) The amount of recycled material is handled as follows:
   Reuse: Not investigated
   Material recycling: The sum of valuable materials and recycled amount
   Thermal recycling: Difference between intermediate processing volume and intermediate processing residue volume
4) Final disposal volume is the amount disposed of in landfills.
5) Hazardous waste refers to waste designated as "specially controlled municipal waste" in Article 2, Paragraph 3 and "specially controlled industrial waste" in Paragraph 5 of Japanese Act on Waste Management and Public Cleansing Act (Act No. 137, 1970), and as "Hazardous Waste" in the laws and regulations of each foreingn country. The total amount of these is shown in the table as "Hazardous waste."

6) In the following cases, the recycling rate is not known, so the recycled and final disposal amounts are not tallied.
- Waste generated by non-manufacturing subsidiaries (1-5-2)
- Waste from on-site construction by Hitz, and by its subsidiaries that carry out on-site engineering (1-5-3)

7 Water Resource Input, Water Effluents Discharged

1) When the amount of discharged water is unknown, the amount of water withdrawn is considered to be the amount of discharged water.
2) The amount of evaporation is calculated assuming that evaporation occurs at the following rate relative to the amount of water taken:
Factory = 10%, Power Plant = 30%, On-site construction = 100%.
The evaporation rate of the Power Plant is based on a survey conducted at our Ibaraki Works. The on-site construction also assumes evaporation from water sprinkling on-site and underground seepage.
3) COD and BOD indicate emissions from Hitz factories in Japan.

8 Chemical Substances Handled, Discharged or Transferred

1) Hitz-Consolidated Group does not produce, consume, or emit ozone-depleting substances or CFC alternatives, and uses them only in air conditioning equipment.
2) The above ozone-depleting substances and chlorofluorocarbon substitutes are used as the amount of greenhouse gas substances handled, but they are not included in GHG emissions because they are not released. In addition, the amount of carbon dioxide purchased is included in Scope 1 of 1-2.

3) The conversion factor used is Japanese Ministry of the Environment's "Ozone Depletion Potential and Global Warming Potential of Each Gas."
4) Nitrogen oxides (NOx) were calculated using coefficients from the Center for Global Environmental Research's stationary source NOx, SOx, and PM emission coefficient database (EF-JASS, Japan) (https://www.cger.nies.go.jp/db/ef-jass/efjass_index_j.html).

9 Number of ISO 14001 Certified Companies

1) This includes companies that have only obtained certification at some of their business locations.
2) Includes 2 companies (in Japan) that has obtained standards equivalent to ISO14001 (Kyoto Environmental Management System standard, Eco Action 21).

10 Number of Regulatory Violations and Complaints

1) The scope (FY2023) covers Hitz and 4 subsidiaries.

11 Envionment-related fines and penalties

1) In FY2023, there was one case in which an foreign business establishment paid a fine of less than 1 million JPY.

【Social data annual report (FY2023)】

The marks of ★ indicate that the items are assured by an independent third party.

(2-2 Ratio of female managers, 2-3 Wage Ratio of Women to Men,

2-6 The percentage of male employees taking childcare leave, etc. or short-term leave for childcare)

1 Employee Data

GRI2-4, 2-7, 201-1, 401-1, 401-3, 403-9, 403-10, 404-1, 405-2, 413-1

1-1 Number of employees

		Unit	FY2020		FY2021		FY2022		FY2023	
Group Note 1,2		**People**	**11,089**		**11,540**		**11,400**		**12,148**	
By region	Japan	People	9,465	85%	9,402	81%	8,968	79%	9,005	74%
	Europe	People	1,037	9%	1,487	13%	1,650	14%	2,122	17%
	Asia	People	264	2%	281	2%	366	3%	455	4%
	North America	People	144	1%	155	1%	182	2%	309	3%
	Australia	People	179	2%	215	2%	234	2%	257	2%
	Total	People	11,089	100%	11,540	100%	11,400	100%	12,148	100%
Hitachi Zosen (Kanadevia) Note 3		**People**	**4,105**		**4,001**		**4,046**		**3,792** Note 4	
By gender	Male	People	-	-	-	-	3,706	92%	3,459	91%
	Female	People	-	-	-	-	340	8%	333	9%
	Total	People	4,105	100%	4,001	100%	4,046	100%	3,792	100%
By age Note 5	**18-19 years old**	**People**	**-**	**-**	**-**	**-**	**-**	**-**	**11**	**0.3%**
	Japan	People	-	-	-	-	-	-	11	0.3%
	Outside Japan	People	-	-	-	-	-	-	0	0.0%
	20-29 years old	**People**	**-**	**-**	**-**	**-**	**-**	**-**	**583**	**15.4%**
	Japan	People	-	-	-	-	-	-	582	15.3%
	Outside Japan	People	-	-	-	-	-	-	1	0.0%
	30-39 years old	**People**	**-**	**-**	**-**	**-**	**-**	**-**	**1,094**	**28.9%**
	Japan	People	-	-	-	-	-	-	1,091	28.8%
	Outside Japan	People	-	-	-	-	-	-	3	0.1%
	40-49 years old	**People**	**-**	**-**	**-**	**-**	**-**	**-**	**692**	**18.2%**
	Japan	People	-	-	-	-	-	-	692	18.2%
	Outside Japan	People	-	-	-	-	-	-	0	0.0%
	50-59 years old	**People**	**-**	**-**	**-**	**-**	**-**	**-**	**1,017**	**26.8%**
	Japan	People	-	-	-	-	-	-	1,016	26.8%
	Outside Japan	People	-	-	-	-	-	-	1	0.0%

		Unit	FY2020	FY2021	FY2022	FY2023
60-69 years old		**People (%)**	**- (-)**	**- (-)**	**- (-)**	**361 (9.5%)**
Japan		People (%)	- (-)	- (-)	- (-)	360 (9.5%)
Otside Japan		People (%)	- (-)	- (-)	- (-)	1 (0.0%)
Over 70 years old		**People (%)**	**- (-)**	**- (-)**	**- (-)**	**34 (0.9%)**
Japan		People (%)	- (-)	- (-)	- (-)	34 (0.9%)
Outside Japan		People (%)	- (-)	- (-)	- (-)	0 (0.0%)
Total		People (%)	4,105 (100%)	4,001 (100%)	4,046 (100%)	3,792 (100%)

1-2 Average age

		Unit	FY2020	FY2021	FY2022	FY2023
Hitachi Zosen (Kanadevia)		**Age**	**42.6**	**42.6**	**42.9**	**43.6**
BY gender	Male	Age	-	-	-	43.9
	Female	Age	-	-	-	40.4

1-3 Average service (years)

		Unit	FY2020	FY2021	FY2022	FY2023
Hitachi Zosen (Kanadevia)		**Years**	**16.1**	**16.1**	**16.2**	**16.3**
By gender	Male	Years	16.3	16.3	16.4	16.6
	Female	Years	13.0	13.1	13.1	13.5

1-4 Turnover rate Note 6,7

		Unit	FY2020	FY2021	FY2022	FY2023
Hitachi Zosen (Kanadevia)		**%**	**-**	**-**	**-**	**3.7**
By gender	Male	%	-	-	-	3.5
	Female	%	-	-	-	5.7

2 DE&I

2-1 Number and ratio of registered employees

		Unit	FY2020	FY2021	FY2022	FY2023
Hitachi Zosen (Kanadevia)		**People**	**4,105**	**4,001**	**4,046**	**3,792**
Number and ratio of female employees		People (%)	- (-)	- (-)	340 (8.4%)	333 (8.8%)

2-2 Number and Ratio of managers Note 8,9

		Unit	FY2020	FY2021	FY2022	FY2023
Hitachi Zosen (Kanadevia)						
Number and Ratio of female managers		People (%)	- (-)	- (-)	32 (3.1%)	34 (3.4%★)
By rank	General manager or above	People (%)	- (-)	- (-)	11 (1.1%)	11 (1.1%)
	Section manager	People (%)	- (-)	- (-)	21 (2.0%)	23 (2.3%)

2-3 Wage Ratio of Women to Men Note 9

	Unit	FY2020	FY2021	FY2022	FY2023
Hitachi Zosen (Kanadevia)					
All employees (female/male)	%	-	-	80.1	80.2★
Permanent and full-time employees	%	-	-	79.5	79.4
Part-time and fixed-term employees	%	-	-	75.7	78.6
NICHIZO TECH INC.(Kanadevia Engineering Corporation)					
All employees (female/male)	%	-	-	71.4	72.1
Permanent and full-time employees	%	-	-	75.6	75.1
Part-time and fixed-term employees	%	-	-	45.5	52.1
Hitz Environment Service Co., Ltd. (Kanadevia Environment Service Company Limited)					
All employees (female/male)	%	-	-	71.1	76.0
Permanent and full-time employees	%	-	-	74.1	80.3
Part-time and fixed-term employees	%	-	-	58.7	76.8
Ataka Asano Co., Ltd.					
All employees (female/male)	%	-	-	71.0	70.9
Permanent and full-time employees	%	-	-	84.2	84.6
Part-time and fixed-term employees	%	-	-	50.5	46.4

	Unit	FY2020	FY2021	FY2022	FY2023
IMEX CO., LTD.					
All employees (female/male)	%	-	-	77.5	76.3
Permanent and full-time employees	%	-	-	77.5	76.3
Part-time and fixed-term employees	%	-	-	-	-
Hitachi Zosen Fukui Corporation（H&F Corporation)					
All employees (female/male)	%	-	-	81.4	82.3
Permanent and full-time employees	%	-	-	84.4	87.2
Part-time and fixed-term employees	%	-	-	61.9	63.0
V TEX corporation					
All employees (female/male)	%	-	-	69.0	74.4
Permanent and full-time employees	%	-	-	70.5	76.0
Part-time and fixed-term employees	%	-	-	42.2	52.6
Hitachi Zosen Marine Engine Co., Ltd.					
All employees (female/male)	%	-	-	-	98.6
Permanent and full-time employees	%	-	-	-	97.2
Part-time and fixed-term employees	%	-	-	-	122.3

2-4 Number and Ratio of new employees hired

	Unit	FY2020	FY2021	FY2022	FY2023
Hitachi Zosen (Kanadevia)	**People**	**121**	**114**	**99**	**89**
Number and Ratio of new female employees hired	People (%)	24 (19.8%)	22 (19.3%)	16 (16.2%)	15 (16.9%)
Ratio of female in clerical positons	People (%)	15 (48.4%)	12 (63.2%)	8 (40.0%)	6 (28.6%)
Ratio of female in engineering	People (%)	9 (10.0%)	10 (10.5%)	8 (10.1%)	9 (13.2%)

2-5 Number and Ratio of female and non-Japanese Directors

	Unit	FY2020	FY2021	FY2022	FY2023
Hitachi Zosen (Kanadevia)	**People**	**10**	**9**	**8**	**8**
Male	People (%)	9 (90.0%)	8 (88.9%)	7 (87.5%)	6 (75.0%)
Female	People (%)	1 (10.0%)	1 (11.1%)	1 (12.5%)	2 (25.0%)
Japan	People (%)	9 (90.0%)	8 (88.9%)	7 (87.5%)	7 (87.5%)
Outside Japan	People (%)	1 (10.0%)	1 (11.1%)	1 (12.5%)	1 (12.5%)

2-6 The percentage of employees taking childcare leave, etc. or short-term leave for childcare

		Unit	FY2020	FY2021	FY2022	FY2023
Hitachi Zosen (Kanadevia)						
The percentage of employees taking childcare leave, etc. or short-term leave for childcare Note 10	Male	%	-	-	90.3	92.6★
	Female	%	-	-	90.0	94.4

2-7 Employment of people with disabilities

	Unit	FY2020	FY2021	FY2022	FY2023
Hitachi Zosen (Kanadevia)					
Number and Ratio of Employees with Disabilities Note 11	People (%)	101 (2.39)	101 (2.37)	97 (2.28)	101 (2.35)

3 Employee Engagement

3-1 Percentage of positive responses to employee engagement questions Note 12

	Unit	FY2020	FY2021	FY2022	FY2023
Hitachi Zosen (Kanadevia)					
Percentage of positive responses to employee engagement questions	%	-	55.9	-	42.0

4 Talent Development

4-1 Investment in training for employee development [Note 13]

	Unit	FY2020	FY2021	FY2022	FY2023
Hitachi Zosen (Kanadevia) [Note 13]					
Annual training hours	Hours	-	-	-	75,279
Average training hours per employee	Hours	-	-	-	22.8
Average amount invested in training per employee	JPY	35,300	36,200	57,800	52,400

4-2 Digital Human Resources [Note 14]

	Unit	FY2020	FY2021	FY2022	FY2023
Hitachi Zosen (Kanadevia)					
Number of digital human resources	People	-	-	56	115

5 Occupational Health and Safety

5-1 Occupational Accidents

		Unit	FY2020	FY2021	FY2022	FY2023
Hitachi Zosen (Kanadevia)						
Number of occupational accidents		Cases	39	33	49	63
Number of fatal accidents		Cases	0	1	2	0
Number of deaths		People	0	1	2	0
Lost-time accidents		Cases	8	11	10	12
Occupational accident severity rate (Degree of accident severty) [Note 17]	Factory [Note 15]		0.005	0.072	0.024	0.057
	On-site construction [Note 16]		0.016	2.034	2.155	0.040
Occpational accident frequency rate (Frequency of accident occurrence) [Note 18]	Factory [Note 15]		0.69	1.26	0.76	0.97
	On-site construction [Note 16]		1.04	1.28	1.39	1.82
(Reference) Occupational accident frequency rate for all industries (Japan)			1.95	2.09	2.06	2.14
(Reference) Occupational accident frequency rate for manufacturing (Japan)			1.21	1.31	1.25	1.29

5-2 Health Management Promotion

		Unit	FY2020	FY2021	FY2022	FY2023
Hitachi Zosen (Kanadevia)						
Average days of annual paid leave taken by employees		Days	16.1	16.2	17.2	16.7
Overtime and holiday work hors	> 80 hours per month	Total number of people	223	238	188	241
	≧ 60 hours per month (Average)	Total number of people	9	1	6	3
Smokng Rate		%	25.6	24.3	24.0	23.8
Absenteeism (absence from work due to injury or illness) Note 19		Days	0.9	1.3	1.1	1.4
Presenteeism (inability to work at full potential due to health-related issues despite coming to work) Note 20		%	94	93.9	93.9	93.8
Work engagement (having a positive and satisfied attitude toward work) Note 21		Points	3	2.5	2.5	2.5

6 Sustainable procurement GRI2-6, 204-1

6-1 Supplier sustainability survey

	Unit	FY2020	FY2021	FY2022	FY2023
Hitachi Zosen (Kanadevia)					
Number and ratio of companies responding to SAQ Note 22	Companies (%)	525 (82.9)	523 (81.5)	588 (84.2)	517 (82.9)
V TEX corporation					
Number and ratio of companies responding to SAQ Note 22	Companies (%)	- (-)	- (-)	- (-)	154 (80.6)

(Notes)

1 Report boundary

The consolidated group refers to Hitz and its subsidiaries that are subject to Hitz-Consolidated accounts.

131 subsidiaries were subject to Hitz-Consolidated accounts in FY2023.

Number of consolidated subsidiaries:	FY2022	124 companies
	FY2021	120 companies
	FY2020	115 companies

2 The number of consolidated employees indicates the number of full-time employees.

3 The number of employees of Hitz is the number of full-time employees and includes employees on secondment.

4 The main reason for the decrease in the number of employees in FY2023 is the transfer of employees to Hitachi Zosen Marine Engine Co., Ltd.

5 Hitz and its consolidated subsidiaries do not employ children aged 0 to 14 years or young people aged 15 to 17 years.

6 Based on the number of employees (as of the end of March), including employees on loan to other companies and employees on leave of absence, but excluding employees on loan to Hitz from other companies.

7 Applicable only to those who retired for personal reasons.

8 Calculated in accordance with the provisions of "Japanese Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64, 2015)". Specifically, among the professional qualifications, Associate Executive Officer/Senior Chief Engineer, Councilor, and Deputy Councilor were calculated as managerial positions.

9 Regarding part-time and fixed-term employees of Hitz, the calculation for FY2023 includes non-regular contract employees.

The following employees were not included in the calculations:

1) Employees on maternity leave, childcare leave, etc. who are not receiving salary
2) Overseas expatriates who are not paid a standard monthly salary
3) Employees who were absent all day in the previous month and have not received the base monthly salary for that month
4) Employees seconded to other companies and employees seconded from other companies
5) Dispatch recipients

10 The percentage of employees taking childcare leave, etc. or short-term leave for childcare is calculated based on "Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of Japanese Ministry of Labor No. 25 of 1991)", Article 71-4, Paragraph 2.

The specific calculation method is as follows:

$$\text{Childcare leave utilization rate} = \frac{\text{Number of employees who took maternity leave, childcare leave or childbirth leave for the first time during the fiscal year}}{\text{Number of employees who had a child born during the fiscal year}} \times 100$$

Note that the population includes seconded employees (limited to those whose salaries are paid by Hitz), but does not include accepted seconded employees.

11 Ratio of Employees with Disabilities is calculated as follows:

$$\text{Ratio of Employees with Disabilities} = \frac{\text{Number of permanent workers who are eligible employees with disabilities}}{\text{Number of workers as the basis for calculation of legally employed disabled persons}} \times 100$$

In the calculation of the actual employment rate
- In principle, one person is counted as 0.5 persons for short-time workers.
- Persons with severe physical disabilities and persons with severe intellectual disabilities are counted as two persons.
- Persons with severe physical disabilities and persons with severe intellectual disabilities for short-time wokers are counted as one person.

12 The positive response rate to employee engagement questions has been measured from the staff awareness survey, which has been conducted biennially since 2009. However, starting in FY2023, the survey was changed to an engagement-specific survey to more deeply explore the factors that influence engagement and lead to more effective actions.

13 Limited to training conducted by Hitz alone and the human resources department. The amount of investment in education is calculated based on the expenses incurred for our regular employees and seconded employees.

14 Digital human resources are those who possess the skills and knowledge necessary to promote digital transformation and create new value.

15 Hitz factories in Japan, and subsidiaries that conduct business activities on these premises in accordance with the principles of consolidated financial statements.

16 Total of on-site construction in Japan (for projects where Hitz was the prime contractor, including subcontractors).

17 The occupational accident severity rate is the total number of days of labor lost per 1,000 total actual labor hours and represents the degree of severity of the accidents.
The calculation method is as follows

$$\text{Occupational accident severity rate} = \frac{\text{Total number of days lost due to labor}}{\text{Total actual labor hours}} \times 1{,}000$$

18 The occupational accident frequency rate is the number of deaths and injuries due to occupational accidents per million total actual working hours and represents the frequency of accidents. The calculation method is as follows:

$$\text{Occpational accident frequency rate} = \frac{\text{Number of fatalities and injuries due to occupational accidents requiring 1 day or more absence from work}}{\text{cumulative hours worked}} \times 1{,}000{,}000$$

19 (Number of days absent from work due to injury or illness) + (Average number of days of absence from work for all employees)

20 Overall job performance rating (productivity) of the employee survey using the WLQ-J. Actual values are averages for all employees.

21 Stress check measurement results. Maximum 4 points (response rate in FY2023: 93.6% (3,627 respondents))

22 The questionnaire (SAQ) was developed by the Global Compact Network Japan (GCNJ) subcommittee. The assessment response rate was calculated as follows:

$$\text{Assessment response rate} = \frac{\text{Number of companies that responded}}{\text{Number of companies surveyed}} \times 100$$

【Governance data annual report (FY2023)】

1 Corporate Governance GRI405-1, 406-1

1-1 Governance System

	Unit	FY2020	FY2021	FY2022	FY2023
Directors	**People**	**10**	**9**	**8**	**8**
Outside Director	People	3	3	3	4
Male	People (%)	9 (90.0%)	8 (88.9%)	7 (87.5%)	6 (75.0%)
Female	People (%)	1 (10.0%)	1 (11.1%)	1 (12.5%)	2 (25.0%)
Japan	People (%)	9 (90.0%)	8 (88.9%)	7 (87.5%)	7 (87.5%)
Outside Japan	People (%)	1 (10.0%)	1 (11.1%)	1 (12.5%)	1 (12.5%)
Executive Officer	**People**	**17**	**16**	**20**	**20**
Male	People (%)	17 (100.0%)	16 (100.0%)	20 (100.0%)	20 (100.0%)
Female	People (%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
Japan	People (%)	17 (100.0%)	16 (100.0%)	20 (100.0%)	20 (100.0%)
Outside Japan	People (%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)

2 Ethics and Compliance GRI205-2

2-1 Corporate Ethics and Compliance Training Note 1

	Unit	FY2020	FY2021	FY2022	FY2023
Number of participants of corporate ethics and compliance training	People	6,383	6,082	6,423	8,440

2-2 Whistleblower System Note 2

	Unit	FY2020	FY2021	FY2022	FY2023
Number of compliance reports	Cases	21	23	12	25

(Notes)

1 Number of participants in the compliance e-learning training program for all officers and employees of Hitz and its subsidiaries. Hitz and its subsidiaries hold compliance lectures from time to time.

2 The system is intended for use by executives and employees (including temporary employees, seconded workers, and dispatched workers) of Hitz and its subsidiaries (Japan and foreign countries), and workers of business partners of Hitz.
Whistleblowers can choose between an internal contact point and an external contact point (law firm) at their discretion.

Independent Assurance Report

To the Representative Director, President and Chief Operating Officer of Kanadevia Corporation (formerly Hitachi Zosen Corporation)

We were engaged by Kanadevia Corporation (formerly Hitachi Zosen Corporation) (the "Company") to undertake a limited assurance engagement of the environmental and social performance indicators marked with "★" (the "Indicators") for the period from April 1, 2023 to March 31, 2024 included in its "ESG Databook 2024" (the "Report") for the fiscal year ended March 31, 2024.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Visiting the Company's Ibaraki Works Ibaraki Power Station selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

Our Independence and Quality Management

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Management 1, we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

/s/ Keisuke Inoue
Keisuke Inoue, Director
KPMG AZSA Sustainability Co., Ltd.
Osaka, Japan
October 1, 2024

Notes to the Reader of Independent Assurance Report: This is a copy of the Independent Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.