Kanadevia
Technology for people and planet

Kanadevia Corporation
ESG Databook 2026

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Contents

General Provisions	Meta-information and Assumptions		
Chapter 1: Environment (E)	1-1	Energy Input	Energy input
	1-2	Greenhouse Gas Emissions across the Value Chain	Scope 1, Scope 2, Scope 3
	1-3	Calculation Methods, Assumptions and Uncertainties (GHG)	
	1-4	Resource Use and Raw Material Inputs	Raw Material Inputs
	1-5	Waste Management	Waste and Recyclable Materials Generated
	1-6	Water Resource Management	Water Withdrawal and Breakdown by Source
	1-7	Wastewater Management	Wastewater Discharge Volumes and Water Quality Indicators by Discharge Category
	1-8	Chemical Substance Management (Input)	Chemical Substances Handled
	1-9	Management of Chemical Substance Emissions and Transfers	Chemical Substances Discharged or Transferred
	1-10	Environmental Accounting	Environmental Conservation Costs and Investment Amounts
Chapter 2: Society (S)	2-1	Employee Composition	Number of Employees, Average age, Average service (years), Turnover rate
	2-2	Occupational Health and Safety	Occupational Accidents, Severity and Frequency Rates for Occupational Accidents
	2-3	Human Capital	Employment of Persons with Disabilities, Uptake of Childcare Leave and Related leave, Number and Ratio of new employees hired, DX talent
	2-4	Employee Engagement	Employee Engagement Indicators
	2-5	Sustainable Procurement	Supply Chain Survey
	2-6	DE&I (Diversity, Equity and Inclusion)	Number and Ratio of female employees, Number and Ratio of female managers, Gender pay gap for all employees
	2-7	Talent Development	Investment in training for employee development , Information Security
	2-8	Health Management	Health Management Promotion
Chapter 3: Governance (G)	3-1	Governance Structure	Composition of the Board of Directors and Committees, Roles and Frequency of Meetings
	3-2	Certification Status	Number of ISO 14001 Certified Companies, Scope of Certification
	3-3	Intellectual Property Holdings	Patent Applications, Grants and Holdings, Number of Design Rights and Trade Mark Rights Held
	3-4	Corporate Ethics and Whistleblowing System	Corporate Ethics and Compliance Training, Whistleblower System
	3-5	Compliance Status	Number of Regulatory Violations and Complaints, Number of Fines and Sanctions
Chapter 4: Calculation Methods and Uncertainties			
Chapter 5: Third-Party Assurance			

General Provisions: Meta-information and Assumptions

1 Positioning of the ESG databook: *SSBJ paragraph 1 of the Application Standard, paragraph 7 of the General Standard; GRI 1*

- This Databook has been compiled with the aim of systematically organising quantitative information and related assumptions concerning the environment (E), society (S) and governance (G) within the Group, and utilising it as primary information (master data) for various sustainability-related disclosures.
- This Databook is positioned as a reference framework for the following external disclosures and internal use:
  Sustainability disclosures based on the SSBJ Standards, IFRS (ISSB) disclosures, Disclosures based on the ESRS,
  Thematic disclosures such as TCFD and TNFD, Related disclosures in integrated reports, sustainability reports, etc.
- This Databook is not intended for sustainability-related financial disclosure based on the SSBJ Standards. However, with a view to the future application of the SSBJ Standards, and on the premise of ensuring consistency with disclosures in securities reports and similar documents, we are progressively organising and refining the scope, calculation methods, assumptions, internal control systems and arrangements for third-party assurance. This fiscal year, based on the current state of data collection, calculation and assurance, and whilst maintaining overall consistency, we will prioritise ensuring explainability and reproducibility, focusing initially on indicators subject to verification or third-party assurance.
- The correspondence between the items in this Databook and the following SSBJ standards has been reviewed against the following standards:
  Universal Sustainability Disclosure Standard "Application of the Sustainability Disclosure Standards"
  (hereinafter referred to as "the Application Standard")
  Theme-based Sustainability Disclosure Standard No. 1 "General Disclosures"
  (hereinafter referred to as "the General Standard")
  Theme-based Sustainability Disclosure Standard No. 2 "Climate-related Disclosures"
  (hereinafter referred to as "the Climate Standard")

2 Scope (consolidation, regions, etc.): *SSBJ paragraphs 5 to 6 of the Application Standard; GRI 1*

- The scope of disclosure in this Databook generally comprises the Company and its consolidated subsidiaries.
  However, depending on the nature of the indicators, the scope may be categorised according to the following criteria:
  - Japan / Outside Japan
  - Companies with manufacturing processes versus those without
  - By business unit or location
  - Scope within the value chain (e.g. Scope 3)
- The scope of each indicator and the number of companies covered are clearly stated for each indicator; furthermore, the coverage rate (comprehensiveness) is disclosed to clarify the scope of the data.

3 Approach to Materiality Assessment: *SSBJ paragraphs 48 to 59 of the Application Standard; GRI 3*

- The indicators included in this Databook have been organised with a focus on matters considered material to the Group.
  In assessing materiality, the following factors are considered collectively:
  - The magnitude of the impact of business activities on the environment and society
  - The level of interest from stakeholders (investors, customers, employees, etc.)
  - Regulatory trends and requirements under disclosure standards (SSBJ, IFRS, ESRS, etc.)
  - Relevance to management strategy and risk management
- Based on these considerations, indicators deemed material are included in this Databook, and the definitions, calculations and updates for each indicator are carried out on the basis of this assessment.

4 Rules for Updates and Revisions: *SSBJ paragraphs 74 to 76, 86 to 89 of the Application Standard; GRI 1*

・As a general rule, the figures and contents of this databook are updated on an annual basis (1 April to 31 March).

・Updates and revisions are managed in accordance with the following basic rules.

4-1 Data Updates

- Data is updated after the fiscal year-end to reflect the actual results for the most recent fiscal year.
- Where there are no changes to the scope of calculation or definitions, comparability with previous fiscal years is maintained.

4-2 Revision of Figures

- Where corrections are required due to calculation errors, changes in definitions, or revisions to calculation methods, figures for previous fiscal years are retrospectively adjusted where necessary.
- The details of the corrections and the reasons, and the scope of their impact shall be clearly stated in Chapter 4, "4-5 Revision History (List)".

4-3 Notes to Disclosure

- Where, as a result of updates or corrections, a simple comparison with previous fiscal years is inappropriate, this shall be explained in the relevant indicator or in the notes.

5 Structure and Roles of the ESG Databook and Its Chapters: *SSBJ paragraphs 29 to 31 of the Application Standard; GRI 1*

・This Databook is structured by chapter according to the following division of responsibilities, in order to improve operability, ease of updating, and audit readiness by clarifying the roles of each indicator chapter and cross-sectional chapter.

- **General Provisions**: Outlines the assumptions and rules for the entire Databook
- **Chapter 1 (Environment)**: Outlines environmental quantitative indicators
- **Chapter 2 (Society)**: Outlines indicators relating to human capital, occupational safety, supply chains, etc.
- **Chapter 3 (Governance)**: Outlines governance structures and compliance indicators
- **Chapter 4**: Cross-cutting management of calculation methods, uncertainties and revision history
- **Chapter 5**: Cross-cutting management of information regarding third-party assurance

Chapter 1: Environment (E)

Items marked with ★ are assured by an independent third-party.
(1-1-2 "Energy input", 1-2-2 "GHG emissions through value chain (Scope 1 and 2)")

1-1 Energy Input

1-1-1 Definition of Indicators

- This section aggregates the energy input associated with the Group's business activities by fiscal year and discloses a breakdown by fuel type, electricity, steam, etc.
  Energy input is expressed in **GJ (gigajoules)** as the standard unit; where necessary, other activity-based units (MWh, kL, tonne, 1,000 m^3, etc.) are also stated.

1-1-2 Annual Energy Input and Breakdown: *SSBJ paragraphs 32, 36 of the General Standard; GRI 302-1, 302-4*

- This table shows the annual energy input from the base year to the most recent fiscal year.
- Energy input consists primarily of the following categories:
  - Electricity
  - Fuel oil
  - Fuel gas
  - Biomass
  - Steam, heat
- With regard to solar power generation, the figure covers electricity consumption from in-house generation and is calculated by deducting the volume of electricity sold externally (1,987 MWh in FY2025) from the total volume of in-house solar power generation (2,598 MWh in FY2025).

		Unit	FY2013 (Base Year)	FY2022	FY2023	FY2024	FY2025
Energy input		**GJ**	**6,170,903**	**4,441,664**	**4,771,582**	**5,136,906**	**★4,942,265**
Electricity	Electricity (total)	MWh	63,560	61,026	71,134	81,146	80,641
		GJ	628,302	598,717	592,012	696,921	683,170
	(Self-generated solar power consumption)	MWh	-	283	596	829	611
		GJ	-	1,019	2,147	2,985	2,201
	(Self-generated biomass power consumption)	MWh	-	-	-	-	2,059
		GJ	-	-	-	-	7,412
	(Purchases)	MWh	63,560	60,743	70,538	80,317	77,971
		GJ	549,162	524,818	609,447	693,936	673,557
Fuel oil	Fuel oil (total)	kl	73,047	9,580	5,949	-	-
		GJ	2,849,812	365,124	225,887	452,788	452,637
	(Gasoline)	kl	304	313	439	439	420
		GJ	10,514	10,845	14,650	14,673	14,026
	(Kerosene)	kl	149	238	470	929	197
		GJ	5,452	8,746	17,157	33,925	7,173
	(Diesel)	kl	3,559	5,328	2,198	4,766	5,264
		GJ	134,157	200,855	83,528	181,122	200,024
	(Heavy oil A)	kl	68,902	3,700	2,842	5,279	5,641
		GJ	2,694,074	144,678	110,552	205,340	219,427
	(Heavy oil B)	kl	134	-	-	-	-
		GJ	5,615	-	-	-	-
	(Methanol)	tonne	-	-	-	781	602
		GJ	-	-	-	17,729	11,988

		Unit	FY2013 (Base Year)	FY2022	FY2023	FY2024	FY2025
Fuel gas	Fuel gas (total)	GJ	2,692,789	3,475,873	3,455,597	3,482,903	3,312,196
	(LPG)	tonne	815	379	368	396	555
		GJ	41,421	19,276	18,415	19,850	27,819
	(LNG)	tonne	48,267	62,916	62,273	62,442	59,706
		GJ	2,635,386	3,435,219	3,406,333	3,415,591	3,265,924
	(Other natural gas)	1,000 ㎥	-	-	-	724	-
		GJ	-	-	-	27,814	-
	(City gas)	1,000 ㎥	341	465	756	491	462
		GJ	15,255	20,811	30,306	19,649	18,453
	(Acetylene)	tonne	15	11	9	-	-
		GJ	728	493	543	-	-
	(Combustion gas)	1,000 ㎥	0	2	-	-	-
		GJ	0	74	-	-	-
Biomass fuel	Biomass fuel (total)	tonne	-	-	34,386	37,978	37,105
		GJ	-	-	495,164	501,313	489,788
	(Wood)	tonne	-	-	34,386	37,978	37,105
		GJ	-	-	495,164	501,313	489,788
Steam, heat	Steam, heat (total)	tonne	-	1,054	2,148	2,192	3,290
		GJ	-	1,950	2,922	2,981	4,474
	(For heating)	tonne	-	1,054	2,148	2,192	3,290
		GJ	-	1,950	2,922	2,981	4,474

- Energy inputs are calculated under Japan's Act on Rationalising Energy Use and Shifting to Non-fossil Energy (Act No. 49, 1979).
- Fuel oil (total) in kl is no longer tracked from FY2024, as the units differ between methanol and other fuel types.
- Regarding Mixed Gases that were previously classified as Combustion Gases, from FY2023 they have been included in LPG and LNG separately based on the composition ratio.
- Acetylene gas was counted as energy until FY2023, but the calculation method has been revised so that it will be counted as greenhouse gas emissions other than energy-related CO_2 (Scope 1) from FY2024.
- The calorific value conversion for purchased electricity uses Japan's standardised time-of-use calorific value (8.64 GJ/MWh).
  The consumption of self-generated solar power is calculated using the primary energy conversion factor (3.6 GJ/MWh).

1-1-3 Scope of Calculation and Coverage Rate: *SSBJ paragraphs 46 to 47 of the Application Standard*

- Reporting boundary and coverage rate (calculated based on consolidated sales) for each item are as follows.

Energy input / GHG emissions (Scope 1 and 2)

FY	Reporting boundary	Coverage rate	Remarks
2025	Kanadevia, 69 domestic subsidiaries, 79 overseas subsidiaries (total: 149 companies)	96%	The number of consolidated subsidiaries in FY2025 is 168. The scope of third-party assurance for Scope 1 and 2 covers emissions from Kanadevia, its domestic subsidiaries and its overseas subsidiaries.
2024	Kanadevia, 70 domestic subsidiaries, 59 overseas subsidiaries (total 130 companies)	99%	The number of consolidated subsidiaries in FY2024 is 158.
2023	Hitz, 69 domestic subsidiaries, 28 overseas subsidiaries (total 98 companies)	95%	The number of consolidated subsidiaries in FY2023 is 131.
2022	Hitz, 13 domestic subsidiaries, 6 overseas subsidiaries (total 20 companies)	83%	-
2013	Hitz, 15 domestic subsidiaries, 1 overseas subsidiary (total 17 companies)	88%	To establish baseline figures, data for subsidiaries lacking specific records were estimated based on sales ratios, using information gathered regarding their actual performance in fiscal 2018 and 2021.

- As a general rule, the scope of calculation for this item comprises the Company and its consolidated subsidiaries.
- The "**coverage rate**" is also disclosed as an indicator showing the number of companies covered, the scope of coverage, and the comprehensiveness of data aggregation for each fiscal year. As a general rule, the coverage rate is calculated as **a percentage of consolidated turnover**.

1-2 Greenhouse Gas Emissions across the Value Chain

1-2-1 Definition of Indicators

- This section discloses greenhouse gas (GHG) emissions generated by the Group's business activities.
- GHG emissions are categorised into Scope 1 (direct emissions), Scope 2 (indirect emissions) and Scope 3 (value chain emissions), and are aggregated and disclosed by fiscal year and category.
- Emissions are primarily expressed using kt-CO_2e (kilotonnes of CO_2 equivalent) as the standard unit, with activity units (tonne, kg, etc.) listed alongside where necessary.

1-2-2 GHG Emissions: *SSBJ paragraphs 47 to 76 of the Climate Standard; GRI 305-1, 305-2, 305-3, 305-5*

- Scope 1 emissions cover direct emissions resulting from the combustion of fuel in business activities, and are aggregated by fiscal year and gas type.
- Scope 2 emissions cover indirect emissions associated with the use of purchased electricity and heat, and are aggregated by fiscal year.
- Regarding the deduction through carbon credits or offsets, data is aggregated by fiscal year and by type, and the values before deducting from Scope 1, 2 and 3 emissions are disclosed.
- Scope 3 emissions cover emissions across the entire value chain (including purchased goods, transport, disposal and product use), and are aggregated by fiscal year and category.

		Unit	FY2013 (Base Year)	FY2022	FY2023	FY2024	FY2025
GHG emissions through value chain							
Scope 1＋Scope 2		kt-CO_2e	369.9	214.6	212.3	232.0	225.1
(% change from base year)		%	-	-42.0%	-42.6%	-37.3%	-39.1%
Scope 1	Direct emissions from in-house fuel use and manufacturing processes	kt-CO_2e	336.9	198.0	193.1	211.1	★202.2
		%	-	-41.2%	-42.7%	-37.3%	-40.0%
Scope 2	Indirect emissions associated with the use of electricity and heat purchased by the company	kt-CO_2e	33.0	16.6	19.2	20.9	★22.9
		%	-	-49.7%	-41.8%	-36.6%	-30.8%
Carbon credit offset amount (Scope 1)		kt-CO_2e	-	-	-	0.2	1.6

		Unit	FY2013	FY2022	FY2023	FY2024	FY2025
Scope 3	Emissions of other companies related to the business activities	kt-CO_2e	-	7.2	26,255.5	22,671.6	7,388.2
	(% change from previous year)	%	-	-	-	-13.7%	-67.4%
Category 1	Purchased products and services	kt-CO_2e	-	-	1,321.6	1,457.1	1,310.3
		%	-	-	-	10.3%	-10.1%
Category 2	Capital goods	kt-CO_2e	-	-	18.5	38.7	95.2
		%	-	-	-	108.5%	146.3%
Category 3	Fuel and energy	kt-CO_2e	-	-	49.7	56.9	58.0
		%	-	-	-	14.6%	1.9%
Category 4	Upstream transportation	kt-CO_2e	-	7.2	31.0	22.8	18.4
		%	-	-	-	-26.5%	-19.0%
Category 5	Waste generated in operations	kt-CO_2e	-	-	0.9	0.9	1.0
		%	-	-	-	1.8%	12.8%
Category 6	Business Trip	kt-CO_2e	-	-	1.6	1.7	1.7
		%	-	-	-	2.6%	-2.3%
Category 7	Employee's commuting	kt-CO_2e	-	-	3.8	3.9	3.7
		%	-	-	-	4.3%	-5.5%
Category 8	Upstream leased assets	kt-CO_2e	-	-	N/A	N/A	N/A
		%	-	-	-	-	-

		Unit	FY2013	FY2022	FY2023	FY2024	FY2025
Category 9	Downstream transportation	kt-CO_2e	-	-	1.6	2.8	1.0
		%	-	-	-	77.0%	-64.0%
Category 10	Processing of sold products	kt-CO_2e	-	-	N/A	N/A	N/A
		%	-	-	-	-	-
Category 11	Use of sold products	kt-CO_2e	-	-	24,812.9	21,073.9	5,879.8
		%	-	-	-	-15.1%	-72.1%
Category 12	End-of-life treatment of products	kt-CO_2e	-	-	3.3	4.2	6.9
		%	-	-	-	30.0%	64.1%
Category 13	Downstream leased assets	kt-CO_2e	-	-	3.0	0.6	5.9
		%	-	-	-	-78.4%	822%
Category 14	Franchise	kt-CO_2e	-	-	N/A	N/A	N/A
		%	-	-	-	-	-
Category 15	Investment	kt-CO_2e	-	-	7.6	8.1	6.2
		%	-	-	-	6.3%	-23.0%

・The main reason for the decrease in Scope 3 emissions in FY2025 is the revision of the calculation method for Category 11. Please refer to 1-3-5 for details.

		Unit	FY2013 (Base Year)	FY2022	FY2023	FY2024	FY2025
GHG Emissions (Scope 1, 2 total)		**kt-CO_2e**	**369.9**	**214.6**	**212.3**	**232.0**	**225.1**
CO_2 from energy	Total	kt-CO_2e	369.9	214.0	211.3	229.2	223.5
	Scope 1	kt-CO_2e	336.9	197.4	192.0	209.1	200.7
	Scope 2	kt-CO_2e	33.0	16.5	19.2	20.9	22.9
GHGs other than CO_2 from energy (Scope 1)	Total	kt-CO_2e	-	0.6	1.1	2.0	1.5
	Carbon dioxide (CO_2)	kt-CO_2e	-	0.6	0.8	0.9	0.6
	Methane (CH_4)	kt-CO_2e	-	-	0.0	0.1	0.1
	Nitrous oxide (N_2O)	kt-CO_2e	-	-	0.0	0.8	0.8
	Hydrofluorocarbons (HFCs)	kt-CO_2e	-	-	0.2	0.2	0.0
	Perfluorocarbons (PFCs)	kt-CO_2e	-	-	-	-	-
	Sulfur hexafluoride (SF_6)	kt-CO_2e	-	-	-	-	-
	Nitrogen trifluoride (NF_3)	kt-CO_2e	-	-	-	-	-

1-2-3 Calculation Scope and Coverage Rate: *SSBJ paragraphs 46 to 47 of the Application Standard*

• The items subject to calculation and their coverage rates are as follows.

1) GHG emissions (Scope 1, 2)
As shown in 1-1-3

2) GHG emissions (Scope 3)

FY	Reporting boundary	Coverage rate	Remarks
2025	Kanadevia, 66 domestic subsidiaries, 45 overseas subsidiaries (total: 112 companies)	91%	Categories 1,2,3,4,5,6,7,9,11,12,13,15 are calculated.
2024	Kanadevia, 67 domestic subsidiaries, 68 overseas subsidiaries (total 136 companies)	99.8%	Categories 1,2,3,4,5,6,7,9,11,12,13,15 are calculated.
2023	Hitz, 65 domestic subsidiaries, 46 overseas subsidiaries (total 112 companies)	99%	Categories 1,2,3,4,5,6,7,9,11,12,13,15 are calculated.
2022	Hitz, 4 domestic subsidiaries (total 5 companies)	48%	Category 4 is calculated.

・As a general rule, the scope of calculation for this item comprises the Company and its consolidated subsidiaries.

・The "**Coverage rate**" is also disclosed as an indicator showing the number of companies covered, the scope of coverage, and the comprehensiveness of data aggregation for each fiscal year. As a general rule, the coverage rate is calculated as **a percentage of consolidated turnover**.

1-3 Calculation Methods, Assumptions and Uncertainties (GHG)

1-3-1 Scope

・This section applies to the following GHG-related indicators of the Group:

- Scope 1 greenhouse gas emissions
- Scope 2 greenhouse gas emissions
- Deductions from carbon credits and offsets
- Scope 3 greenhouse gas emissions (by category)

1-3-2 Application Criteria and Emission Factors: *SSBJ paragraphs 61 to 68 of the Climate Standard*

・In calculating greenhouse gas emissions, we primarily refer to the following standards and guidelines:
GHG Protocol (GHG Protocol Corporate Accounting and Reporting Standard)
Ministry of the Environment: "System for the Calculation, Reporting and Disclosure of Greenhouse Gas Emissions"
Ministry of the Environment and Ministry of Economy, Trade and Industry: "Basic Guidelines on the Calculation of an Organisation's GHG Emissions through the Supply Chain"

・The following published values are used for emission factors:
Fuel oil and fuel gas: Ministry of the Environment, "List of Calculation Methods and Emission Factors under the Calculation, Reporting and Disclosure System"
Town gas and heat:
In Japan) "Basic Emission Factors by Gas Supplier" (June 30, 2026 edition) and "Basic Emission Factors by Heat Supplier" (June 30, 2026 edition) based on the Japanese Act on Promotion of Global Warming Countermeasures
Outside Japan) Emission factors from contracted suppliers at each business location, or the country-specific emission factors from IEA "Emission Factors"
Electricity:
In Japan) "Basic Emission Factors by Electricity Supplier" (June 30, 2026 edition) based on the Japanese Act on Promotion of Global Warming Countermeasures (adjusted Emission factors have been used until FY2023)
Outside Japan) Emission factors from contracted suppliers at each business location, or the country-specific emission factors from IEA "Emission Factors"
Others: Ministry of the Environment and Ministry of Economy, Trade and Industry, "Emission Intensity Database for Calculating an Organisation's Greenhouse Gas Emissions, etc. through the Supply Chain"; National Institute of Advanced Industrial Science and Technology (AIST), "AIST-IDEA"

・Scope 2 CO_2 emissions from electricity are calculated based on market-based standards

・There are no emissions of PFCs, SF_6 or NF_3.

・Non-energy-related CO_2 emissions (Scope 1) were calculated under the Act on Promotion of Global Warming Countermeasures currently in force. (For FY2023 and earlier, under the previous version of the Act.)

・The scope of calculation for non-energy-derived CO_2 emissions overseas comprises three companies: V TEX Korea Co., Ltd. (GHG from septic tanks and BOD in factory effluent), TANGENT Kanadevia CO., LTD. (carbon dioxide gas and dry ice), and NIAGARA ENERGY PRODUCTS, Inc. (carbon dioxide gas).

・For FY2025, all carbon credits are J-Credits.

・Scope 3 Category 15 covers two equity-method affiliates (Naikai Zosen Corporation and OHNAMI CORPORATION).

・Energy-related and non-energy-related emissions are shown separately from FY2022. Up until FY2021, those emissions are included in Scope 1 energy-related emissions.

・Acetylene gas was counted as energy-related CO_2 until FY2023, but from FY2024 it will be counted as non-energy-related CO_2.

1-3-3 Main Estimation Logic and Assumptions: *SSBJ paragraphs 69 to 72 of the Climate Standard*

・As direct measurement of Scope 3 emissions is difficult, estimates are made based on reasonable assumptions.
The main estimation approach is as follows:

- For stages such as product use and disposal, scenarios are established based on factors such as service life, operating conditions and disposal methods.
- Where data is unavailable for certain overseas sites or business segments, estimates are supplemented using metrics such as the proportion of turnover.

The validity of these assumptions is verified annually in light of actual business conditions and revised as necessary.

1-3-4 Uncertainties and Limitations: *SSBJ paragraphs 83 to 85 of the Application Standard*

・GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials. These uncertainties may affect the results of the calculations.

1-3-5 Revision of Calculation Method for Scope 3 Category 11 (Use of sold products)

From FY2025, the calculation method for Category 11 has been revised as follows.

<table>
<tr><th></th><th>Conventional calculation method</th><th>Revised calculation method</th></tr>
<tr><td>Calculation method for marine engine</td><td>Emissions from the use of marine engines sold in the fiscal year in question are calculated using the following formula: The fuel consumption rate of marine engines sold is assumed to be 160.0 to 179.0 g/kWh.
Category 11 for marine engine
= Fuel Consumption Rate x Rated Output x Annual Operating Hours
x Operating Load x Product Life (20 years)
x Number of Units Delivered in the Current Fiscal Year</td><td>GHG emissions from marine engines are calculated for the relevant fiscal year, taking into account the ratio of the engine’s weight to the total weight of the vessel.
Category 11 for marine engine
= Fuel Consumption Rate x Rated Output x Annual Operating Hours
x Operating Load x Product Life (20 years)
x Number of Units Delivered in the Current Fiscal Year
x (Engine Weight / Ship Weight)</td></tr>
<tr><td>Calculation method for Waste-to-Energy Plants</td><td>Emissions based on the specifications of waste incineration energy facilities sold in the fiscal year in question were calculated by adding up the fuel, etc. necessary to operate the facility. The amount of CO_2 generated from waste incineration was not included in the calculation, as no methodology has been specified in the GHG Protocol.
Category 11 for Waste-to-Energy Plants
= (CO_2 from energy, etc. required to operate the facility)</td><td>The CO_2 emissions associated with the use of waste incineration power plants sold in the fiscal year in question are calculated taking into account the facility's processing volume, the carbon content of the waste, and the fossil CO_2 emission coefficient when municipal waste is burned. The carbon content is assumed to be 0.5, assuming that all waste is general waste and 50% is from biomass, making it carbon neutral, and the remaining 50% is from chemical sources. The fossil CO_2 emission coefficient when municipal waste is burned is also assumed to be 0.5 as a conservative value, based on research into the amount of waste processed in Tokyo 23 Wards ("Research Report 2023: Towards Local Production and Consumption of CO_2 in Special Wards" (Special Ward Mayors' Association Research Organization)), and the waste sector inventory of each country on the United Nations Framework Convention on Climate Change Website (https://unfccc.int/). Note that this value will be revised as appropriate if new findings are obtained through future surveys.
Category 11 for Waste-to-Energy Plants
= (CO_2 from energy, etc. required to operate the facility)
+ (Treatment volume x Period of use x Emission coefficient)</td></tr>
<tr><td></td><td>Calculation results using the conventional method
<table><tr><th></th><th>FY2024</th><th>FY2025</th></tr><tr><td>Scope 3 Category 11</td><td>(kt-CO_2e)</td><td>(kt-CO_2e)</td></tr><tr><td>Marine engine</td><td>19,895</td><td>14,821</td></tr><tr><td>Waste-to-Energy Plants</td><td>271</td><td>152</td></tr><tr><td>Others</td><td>908</td><td>308</td></tr><tr><td>Sub-total</td><td>21,074</td><td>15,281</td></tr><tr><td>Scope 3 – Other Categories</td><td>1,598</td><td>1,508</td></tr><tr><td>Total</td><td>22,672</td><td>16,789</td></tr></table></td><td>Calculation results using the revised method
<table><tr><th></th><th>FY2024</th><th>FY2025</th></tr><tr><td>Scope 3 Category 11</td><td>(kt-CO_2e)</td><td>(kt-CO_2e)</td></tr><tr><td>Marine engine</td><td>514</td><td>279</td></tr><tr><td>Waste-to-Energy Plants</td><td>39,345</td><td>5,293</td></tr><tr><td>Others</td><td>908</td><td>308</td></tr><tr><td>Sub-total</td><td>40,767</td><td>5,880</td></tr><tr><td>Scope 3 – Other Categories</td><td>1,598</td><td>1,508</td></tr><tr><td>Total</td><td>42,365</td><td>7,388</td></tr></table></td></tr>
</table>

1-4 Resource Use and Raw Material Inputs: *SSBJ paragraphs 32, 36 of the General Standard; GRI 301-1, 301-2*

1-4-1 Definition of Indicators

- This item aggregates and discloses the annual input of raw materials in the Group's business activities, categorised into virgin and recycled materials.
- The input of raw materials and other inputs is primarily expressed in **units of weight (tonne)**.

1-4-2 Raw Material Inputs

		Unit	FY2021 (Base Year)	FY2022	FY2023	FY2024	FY2025
Raw materials	Steel material	tonne	19,962	21,878	32,321	26,078	13,230
	(Virgin material)	tonne	-	-	-	24,761	11,756
	(Recycled materials)	tonne	-	-	-	1,318	1,474
	Paints	tonne	207	279	422	409	375
	Welding materials	tonne	323	47	149	435	456
	Plastics, resins	tonne	-	-	376	375	45
	Others	tonne	-	-	207	129	7,706
Paper usage	Paper usage	tonne	21	53	24	100	144
	Basic unit: Intensity (Paper consumption per employee)	kg	4.9	12.0	5.5	17.3	11.3

- This table shows the quantities of raw materials and other inputs for each fiscal year, broken down into virgin and recycled materials.
- The amount of paper used is calculated as the amount of waste paper generated as municipal waste.
- Fluctuations in input quantities from year to year reflect changes in production volumes and product mix, amongst other factors.
  The increase in the "Others" category for FY2025 is due to the inclusion of activated carbon materials from SERACHEM Co., Ltd.

1-4-3 Types of Main Raw Materials

- The main raw materials used by the Group include the following:
  - Steel
  - Plastics and resins
  - Paper
  - Other auxiliary materials
- The classification and definitions of raw materials are organised in accordance with internal management standards.

1-4-4 Reporting boundary and Coverage Rate

- The items subject to calculation and their coverage rates are as follows.

Raw Material Inputs

FY	Reporting boundary	Coverage rate	Remarks
2025	Kanadevia, manufacturing subsidiaries, 5 domestic subsidiaries and 3 overseas subsidiaries (total 9 companies)	53%	Total number of companies with manufacturing processes: 17 companies
2024	Kanadevia, manufacturing subsidiaries, 5 domestic subsidiaries and 3 overseas subsidiaries (total 9 companies)	53%	Total number of companies with manufacturing processes: 17 companies
2023	Hitz, 6 manufacturing subsidiaries (total 7 companies)	37%	Total number of companies with manufacturing processes: 19 companies
2022	Hitz, 1 manufacturing subsidiary (total 2 companies)	13%	Total number of companies with manufacturing processes: 16 companies
2021	Hitz, 1 manufacturing subsidiary (total 2 companies)	11%	Total number of companies with manufacturing processes: 18 companies

- The input volumes of raw materials and other materials are aggregated based on the Company and its consolidated subsidiaries that have manufacturing processes.
- The coverage rate for each fiscal year is calculated based on the number of companies relative to the total number of companies with manufacturing processes.

1-5 Waste Management: *SSBJ paragraphs 32, 36 of the General Standard; GRI 306-1, 306-2, 306-3, 306-4, 306-5*

1-5-1 Definition of Indicators

- This section discloses the volumes of waste and recoverable materials generated as a result of the Group's business activities, as well as their treatment status.
- As indicators relating to waste management, the volumes of waste and recoverable materials, the volume recycled, the volume sent for final disposal, and the volume of hazardous waste are aggregated and disclosed on a fiscal year basis.
- Quantities are, in principle, expressed in **weight units (tonne)**.

1-5-2 Waste and Recyclable Materials Generated

1-5-2-1 Waste Generated by the Company and its Manufacturing Subsidiaries

		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Total Waste Generated		**tonne**	**9,431**	**8,091**	**11,042**	**10,419**	**8,762**
Volume reduction		tonne	-	500	1,046	738	659
Amount recycled	Reuse	tonne	-	-	-	-	-
	Material Recycling	tonne	-	7,500	9,626	8,932	6,986
	Thermal Recycling	tonne	-	500	1,046	738	659
	(Material recycle rate)	%	-	92.7	87.2	85.7	79.7
Final disposal volume		tonne	-	192	392	306	249
(Landfill rate)		%	-	2.4	3.5	2.9	2.8
Hazardous waste		tonne	-	113.4	147.7	26.1	131.2

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

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Total Waste Generated	**tonne**	**-**	**-**	**422**	**524**	**280**
Municipal waste	tonne	-	-	343	497	272
Industrial waste	tonne	-	-	16	27	8
Hazardous waste	tonne	-	-	64	0	0

1-5-2-3 Waste related to on-site construction

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Coverage rate for waste and recoverable materials generated (total volume)	**tonne**	**-**	**-**	**33,470**	**20,899**	**22,666**
Municipal waste	tonne	-	-	52	566	500
Industrial waste	tonne	-	-	33,102	20,109	20,643
Hazardous waste	tonne	-	-	316	224	1,523

・The volume generated is calculated as the sum of general waste and industrial waste generated. From FY2024, sludge from septic tanks has been included.
Changes in the volume generated reflect the scale of business activities, manufacturing processes and the progress of on-site construction works, amongst other factors.
・The volume reduced refers to the volume subject to thermal recycling and is calculated as the volume of intermediate treatment minus the volume of intermediate treatment residue.
・Waste is categorized into reuse, material recycling, thermal recycling, and final disposal, and is aggregated as follows.
Reuse: Not surveyed
Material recycling: The sum of valuable materials and the amount recycled
Thermal recycling: The difference between the amount undergoing intermediate treatment and the amount of residue from intermediate treatment
Final disposal: The amount of landfills.
・The volumes of recycled materials and final disposal serve as indicators for understanding the actual state of waste treatment and verifying the progress of initiatives aimed at fostering a circular economy.
・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 foreign country. The total amount of these is shown in the table as "Hazardous waste". Kanadevia Group is committed to the proper management and reduction of hazardous waste.
・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
- Waste from on-site construction by Kanadevia, and by its subsidiaries that carry out on-site engineering

1-5-3 Reporting boundary and Coverage Rate

Waste and Recyclable Materials Generated

FY	Reporting boundary	Coverage rate	Remarks
2025	(1) Waste generated by Kanadevia and its manufacturing subsidiaries: The Company and 15 manufacturing subsidiaries (5 domestic, 10 overseas) (total: 16 companies) (confirmed as raw materials)	94%	Total number of companies with manufacturing processes: 17
	(2) Waste generated by non-manufacturing subsidiaries: 57 domestic subsidiaries, 14 overseas subsidiaries (total: 71 companies)	48%	Total number of non-manufacturing subsidiaries (excluding companies falling under (1) and (3)): 147 companies
	(3) Waste related to on-site construction work: The Company, 3 domestic subsidiaries, 1 overseas subsidiary (total: 5 companies)	-	As waste related to on-site construction projects includes waste originating from joint ventures, a coverage rate has not been calculated.
2024	(1) Waste generated by Kanadevia and its manufacturing subsidiaries: The Company and 10 manufacturing subsidiaries (5 domestic subsidiaries and 45 overseas subsidiaries)	65%	Total number of companies with manufacturing processes: 17
	(2) Waste generated by non-manufacturing subsidiaries: 48 domestic subsidiaries, 22 overseas subsidiaries (total 70 companies)	51%	Total number of non-manufacturing subsidiaries (excluding (1) and (3)): 137 companies
	(3) Waste related to on-site construction: The Company, 3 domestic subsidiaries, and 1 overseas subsidiary (total of 5 companies)	-	Waste related to on-site construction includes waste from JVs, so the coverage rate has not been calculated.
2023	(1) Waste generated by Hitz and its manufacturing subsidiaries: The Company and 10 manufacturing subsidiaries (6 domestic and 4 overseas subsidiaries) (total of 11 companies)	58%	Total number of companies with manufacturing processes: 19
	(2) Waste generated by non-manufacturing subsidiaries: 48 domestic subsidiaries, 12 overseas subsidiaries (total 60 companies)	54%	Total number of non-manufacturing subsidiaries (excluding (1) and (3)): 112 companies
	(3) Waste related to on-site construction: The Company, 3 domestic subsidiaries, and 1 overseas subsidiary (total of 5 companies)	-	Waste related to on-site construction includes waste from JVs, so the coverage rate has 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

・Coverage rate is calculated based on the number of companies. The denominator is listed in the remarks column.

1-6 Water Resource Management: *SSBJ paragraphs 32, 36 of the General Standard; GRI 303-1, 303-3, 303-5*

1-6-1 Definition of Indicators

- This section discloses, on a fiscal year basis, indicators relating to water resource management in the Group's business activities, such as water withdrawal volume and a breakdown by water source.
- Quantities are, in principle, expressed in **units of volume (1,000 m^3)** .

1-6-2 Water Withdrawal and Breakdown by Source

		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Water (total amount)		**1,000 m^3**	**1,040**	**1,426**	**1,493**	**2,088**	**1,610**
Surface water	Tap water	1,000 m^3	120	198	429	834	429
	Industrial water	1,000 m^3	920	1,228	1,063	1,254	1,181

- This table shows the volume of water resources used in the Group's business activities, broken down by fiscal year.
- Changes in water abstraction reflect factors such as production volumes, plant operations and the progress of on-site construction works.
- Water resource usage is categorised and totalled by water source, such as surface water, groundwater, tap water and industrial water.
- Understanding the breakdown by water source helps us assess our dependence on water resources and identify associated risks.

1-6-3 Reporting boundary and Coverage Rate

Water Resource Input, Water Effluents Discharged

FY	Reporting boundary	Coverage rate	Remarks
2025	Kanadevia, 70 domestic subsidiaries, 38 overseas subsidiaries (total 109 companies)	95%	-
2024	Kanadevia, 66 domestic subsidiaries, 43 overseas subsidiaries (total 110 companies)	95%	-
2023	Hitz, 60 domestic subsidiaries, 23 overseas subsidiaries (total 84 companies)	94%	-
2022	Hitz, 13 domestic subsidiaries, 5 overseas subsidiaries (total 19 companies)	81%	-
2021	Hitz, 1 domestic subsidiary (total 2 companies)	47%	-

- Water resource input is calculated for the Company and its consolidated subsidiaries.
- The coverage rate is calculated primarily as a percentage of consolidated turnover.

1-7 Wastewater Management: *SSBJ paragraphs 32, 36 of the General Standard, GRI 303-2, 303-4, 303-5*

1-7-1 Definition of Indicators

- Under this section, the Group discloses, on a fiscal year basis, indicators relating to wastewater management arising from its business activities, including wastewater discharge volume, discharge destination categories and water quality indicators.
- Volumes are, in principle, expressed in **units of volume (1,000 m^3)**.

1-7-2 Wastewater Discharge Volumes and Water Quality Indicators by Discharge Category

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Water effluents discharged (total amount	**1,000 m^3**	**560**	**1,426**	**1,493**	**2,088**	**1,604**
Public water bodies (rivers, sea)	1,000 m^3	-	704	913	773	825
Sewerage	1,000 m^3	-	69	83	159	158
Evaporation, underground seepage, etc.	1,000 m^3	-	653	496	1,156	620
COD	kg	-	-	772	526	1,208
BOD	kg	-	-	915	1,375	1,276

- This table shows the volume of effluent generated by the Group's business activities on a fiscal year basis.
- When the amount of discharged water is unknown, the amount of water withdrawn is considered to be the amount of discharged water.
  Changes in effluent volume reflect factors such as water intake, the operational status of manufacturing processes and the progress of on-site construction works.
  Discharge destinations are categorised according to public water bodies (rivers, marine areas, etc.) and sewerage systems.
- 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 Ibaraki Works. The on-site construction also assumes evaporation from water sprinkling on-site and underground seepage.
- Water quality indicators are managed in accordance with relevant legislation and internal standards. COD and BOD indicate emissions from Kanadevia factories in Japan, and 1 overseas subsidiary.

1-7-3 Reporting boundary and Coverage Rate

- The scope and coverage rate for this item are the same as those set out in 1-6-3.
- Furthermore, discharge volumes and water quality indicators are aggregated for those sites of the Company and its consolidated subsidiaries for which discharge data is available.

1-8 Chemical Substance Management (Input): *SSBJ paragraphs 32, 36 of the General Standard*

1-8-1 Definition of Indicators

- This section discloses, on a fiscal year basis, the volume of chemical substances used and the types of major chemical substances as indicators relating to the management of chemical substances (input) in the Group's business activities .
- Quantities are, in principle , expressed in **units of weight (tonne)**.

1-8-2 Chemical Substances Handled

		Unit	FY2021 (Base Year)	FY2022	FY2023	FY2024	FY2025
Chemical Substances Handled		**tonne**	**101.5**	**91.4**	**141.2**	**145.9**	**216.4**
Chemical Substances Handled	PRTR substances	tonne	94.4	84.0	131.6	141.0	209.7
	Ozone-depleting substances	tonne	1.7	1.7	1.0	0.4	0.6
	Greenhouse gas substances	tonne	5.4	5.7	8.6	4.5	6.1

- This table shows the total volume of chemical substances introduced in the Group's business activities, broken down by fiscal year.
  Changes in the volume introduced reflect alterations to manufacturing processes, changes in raw materials used, and variations in the scale of business activities.
- The classification and definitions of chemical substances are organised in accordance with relevant domestic and international laws and regulations, as well as internal management standards.
  The main chemical substances subject to management within the Group include the following:
  - Chemical substances subject to the PRTR Act
  - Greenhouse gases
  - Other chemical substances requiring management in accordance with relevant laws and regulations
- Kanadevia does not produce, consume or release ozone-depleting substances or alternative CFCs; these are used solely in air-conditioning equipment.
  The quantities of ozone-depleting substances and alternative CFCs mentioned above are treated as the volume of greenhouse gas substances handled; however, as they are not released, they are not included in GHG emissions.
  Furthermore, the volume of purchased carbon dioxide is included in Scope 1 under 1-2.

1-8-3 Reporting boundary and Coverage Rate

Chemical Substances Handled

FY	Reporting boundary		Coverage rate	Remarks
2025	[PRTR]	Kanadevia and 3 domestic subsidiaries (total 4 companies)	-	-
	[Other]	Kanadevia	-	-
2024	[PRTR]	Kanadevia and 4 domestic subsidiaries (total 5 companies)	-	-
	[Other]	Kanadevia	-	-
2023	[PRTR]	Hitz and 4 domestic subsidiaries (total 5 companies)	-	-
	[Other]	Hitz	-	-
2022	[PRTR]	Hitz and 3 domestic subsidiaries (total 4 companies)	-	-
	[Other]	Hitz	-	-
2021	Hitz		-	-

- This applies to companies in Japan that handle chemical substances and are required to manage them in accordance with the PRTR Act, etc.

1-9 Management of Chemical Substance Emissions and Transfers: *SSBJ paragraphs 32, 36 of the General Standard; GRI 305-6, 305-7*

1-9-1 Definition of Indicators

- This section discloses, on a fiscal year basis, indicators relating to the management of chemical substance emissions and transfers associated with the Group's business activities, including the volume of chemical substance emissions, the volume of transfers, and a breakdown by medium.
- Quantities are, in principle , expressed in **units of weight (tonne)**.

1-9-2 Chemical Substances Discharged or Transferred

		Unit	FY2021 (Base Year)	FY2022	FY2023	FY2024	FY2025
Discharges and Transfers (total amount)		**tonne**	**268.0**	**239.6**	**232.4**	**257.4**	**243.1**
Chemical Substances Discharged or Transferred	PRTR substances	tonne	52.3	57.1	58.2	65.7	56.7
	Sulphur oxides (SOx)	tonne	3.8	6.6	4.8	4.8	7.6
	Nitrogen oxides (NOx)	tonne	212.0	175.9	169.3	186.9	178.8

- This table shows the total quantities of chemical substances emitted or transferred as a result of the Group's business activities, broken down by fiscal year.
  Changes in emission and transfer volumes reflect variations in manufacturing processes, raw materials used, and the scale of business activities.
  The destinations of chemical substance emissions and transfers are categorised by medium, such as the atmosphere, water bodies and soil.
- The Group monitors and manages the emission and transfer volumes of covered chemical substances in accordance with relevant legislation, such as the PRTR Act.
  The classification and definitions of PRTR-covered substances are organised in accordance with relevant domestic and international legislation.
- Conversion factors are based on the Ministry of the Environment's "Ozone Depletion Potentials and Global Warming Potentials for Various Gases". Nitrogen oxides (NOx) were calculated using coefficients from the Centre for Global Environmental Research's database of emission factors for NOx, SOx and PM from stationary sources (EF-JASS) (https://www.cger.nies.go.jp/db/ef-jass/efjass_index_j.html).

1-9-3 Scope of Calculation and Coverage Rate

Chemical Substances Discharged or Transferred

FY	Reporting boundary		Coverage rate	Remarks
2025	[PRTR]	Kanadevia and 4 domestic subsidiaries (total 5 companies)	-	-
	[SOx]	Kanadevia	-	-
	[NOx]	As same as Energy input/GHG emissions (Scope 1 and 2)	96%	-
2024	[PRTR]	Kanadevia and 4 domestic subsidiaries (total 5 companies)	-	-
	[SOx]	Kanadevia	-	-
	[NOx]	As same as Energy input/GHG emissions (Scope 1 and 2)	99%	-
2023	[PRTR]	Hitz and 4 domestic subsidiaries (total 5 companies)	-	-
	[SOx]	Hitz	-	-
	[NOx]	As same as Energy input/GHG emissions (Scope 1 and 2)	95%	-
2022	[PRTR]	Hitz and 3 domestic subsidiaries (total 4 companies)	-	-
	[SOx]	Hitz	-	-
	[NOx]	As same as Energy input/GHG emissions (Scope 1 and 2)	83%	-
2021	[PRTR]	Hitz and 1 domestic subsidiary (total 2 companies)	-	-
	[SOx]	Hitz	-	-
	[NOx]	As same as Energy input/GHG emissions (Scope 1 and 2)	82%	-

- Emissions and transfers of chemical substances are aggregated for companies in Japan that handle such substances and are required to manage in accordance with the PRTR Act and other relevant legislation.
- The number of companies covered and the coverage rate for each environmental medium are stated.

1-10 Environmental Accounting: *SSBJ paragraphs 32, 36 of the General Standard*

1-10-1 Definition of Indicators

- This section discloses, on a fiscal year basis, indicators such as environmental conservation costs, investment amounts and expenses relating to the Group's environmental conservation initiatives from the perspective of environmental accounting .
- Amounts are, in principle , expressed in **JPY Millions**.

1-10-2 Environmental Conservation Costs and Investment Amounts

			Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Environmental Accounting								
Environmental conservation costs	Business area costs	Investment	JPY Millions	290	7	44	275	280
		Costs	JPY Millions	184	162	106	1,787	25,710
	Upstream /downstream costs	Investment	JPY Millions	0	0	0	0	0
		Costs	JPY Millions	36	0	0	0	0
	Management activity costs	Investment	JPY Millions	1	30	0	0	0
		Costs	JPY Millions	15	12	153	155	154
	R&D costs	Investment	JPY Millions	347	5,389	7,558	7,751	8,874
		Costs	JPY Millions	2,316	1,923	1,671	2,912	2,322
	Social activity costs	Investment	JPY Millions	0	36	0	0	0
		Costs	JPY Millions	3	1	3	7	4
	Environmental damage response	Investment	JPY Millions	0	0	0	0	0
		Costs	JPY Millions	59	0	5	1	145

- This table shows the costs and investment amounts related to environmental conservation on a fiscal year basis.
- Environmental conservation costs are categorised into costs within business areas, upstream and downstream costs, management activity costs, research and development costs, social activity costs, and costs for responding to environmental damage, amongst others.
- Environmental conservation costs and investment amounts are aggregated in accordance with the Group's internal environmental accounting management standards.

1-10-3 Reporting boundary and Coverage Rate

Environmental Accounting

FY	Reporting boundary	Coverage rate	Remarks
2025	Kanadevia and 5 domestic subsidiaries (total 6 companies)	43%	-
2024	Kanadevia and 5 domestic subsidiaries (total 6 companies)	43%	-
2023	Hitz and 5 domestic subsidiaries (total 6 companies)	42%	-
2022	Hitz and 4 domestic subsidiaries (total 5 companies)	48%	-
2021	Hitz and 1 domestic subsidiary (total 2 companies)	47%	-

- Environmental conservation costs and investment amounts are aggregated based on the Company's internal environmental accounting management standards, covering the Company and its consolidated subsidiaries.
- Coverage rate is calculated as a percentage of consolidated sales.

Chapter 2: Society (S)

Items marked with ★ are assured by an independent third-party.
(2-1-7 Employee Turnover rate, 2-2-2 Lost Time Injury Frequency Rate, 2-3-3 Utilization rate of childcare leave and childcare-related leave (male), 2-3-4 Number and Ratio of new employees hired (female), 2-6-3 Ratio of female managers, 2-6-4 Gender pay gap for all employees)

Scope and coverage

[Common Definitions of Social Indicators]

- The indicators disclosed in this chapter (Society: S) are intended to monitor and manage the status of human capital and the social aspects associated with the Group's business activities.
- Social indicators (such as number of employees, occupational safety, human capital and the supply chain) may be **difficult to collect uniformly across the entire Group** due to differences in the nature of the indicators and in the systems and operational practices of each company. For this reason, the social indicators in this Databook disclosed after specifying **the companies and scope included in the calculation, the assumptions underlying the aggregation, the coverage rate (comprehensiveness relative to the scope) and any limitations**.
- Specific scopes for each indicator are provided within the relevant sections; however, **the scope generally covers the Company and those consolidated subsidiaries for which calculations are feasible**.
  Furthermore, where companies or items have been excluded from the scope of calculation, the reasons for this and any current constraints are stated.

2-1 Employee Composition: *SSBJ paragraphs 32, 36 of the General Standard; GRI 401-1*

2-1-1 Definition of Indicators

- The purpose of this item is to monitor and manage the status of the Group's human capital; it discloses information on the number of employees and their composition on a fiscal year basis.
- The number of employees is categorised by attributes such as gender, region, age group and employment status.
- As a general rule, the number of employees is expressed in "people".

2-1-2 Number of Employees

		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Kanadevia Group		**People**	**11,540**	**11,400**	**12,148**	**12,964**	**12,666**
By region	Japan	People	9,402	8,968	9,005	9,207	8,592
		%	81%	79%	74%	71%	68%
	Europe	People	1,487	1,650	2,122	2,676	3,158
		%	13%	14%	17%	21%	25%
	Asia	People	281	366	455	468	401
		%	2%	3%	4%	4%	3%
	North America	People	155	182	309	314	318
		%	1%	2%	3%	2%	3%
	Australia	People	215	234	257	299	197
		%	2%	2%	2%	2%	2%
	Total	People	11,540	11,400	12,148	12,964	12,666
		%	100%	100%	100%	100%	100%
Kanadevia Corporation		**People**	**4,001**	**4,046**	**3,792**	**3,964**	**4,088**
By gender	Male	People	-	3,706	3,459	3,601	3,692
		%	-	92%	91%	91%	90%
	Female	People	-	340	333	363	396
		%	-	8%	9%	9.2%	9.7%
	Total	People	4,001	4,046	3,792	3,964	4,088
		%	100%	100%	100%	100%	100%

		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
By age	**18–19 years old**	**People**	**-**	**-**	**11**	**17**	**14**
		%	**-**	**-**	**0.3%**	**0.4%**	**0.3%**
	Japan	People	-	-	11	17	14
		%	-	-	0.3%	0.4%	0.3%
	Outside Japan	People	-	-	0	0	0
		%	-	-	0.0%	0.0%	0.0%
	20-29 years old	**People**	**-**	**-**	**583**	**610**	**618**
		%	**-**	**-**	**15.4%**	**15.4%**	**15.1%**
	Japan	People	-	-	582	609	617
		%	-	-	15.3%	15.4%	15.1%
	Outside Japan	People	-	-	1	1	1
		%	-	-	0.0%	0.0%	0.0%
	30-39 years old	**People**	**-**	**-**	**1,094**	**1,172**	**1,184**
		%	**-**	**-**	**28.9%**	**29.6%**	**29.0%**
	Japan	People	-	-	1,091	1,170	1,184
		%	-	-	28.8%	29.5%	29.0%
	Outside Japan	People	-	-	3	2	0
		%	-	-	0.1%	0.1%	0.0%
	40-49 years old	**People**	**-**	**-**	**692**	**686**	**750**
		%	**-**	**-**	**18.2%**	**17.3%**	**18.3%**
	Japan	People	-	-	692	686	748
		%	-	-	18.2%	17.3%	18.3%
	Outside Japan	People	-	-	0	0	2
		%	-	-	0.0%	0.0%	0.0%
	50-59 years old	**People**	**-**	**-**	**1,017**	**1,075**	**1,099**
		%	**-**	**-**	**26.8%**	**27.1%**	**26.9%**
	Japan	People	-	-	1,016	1,074	1,096
		%	-	-	26.8%	27.1%	26.8%
	Outside Japan	People	-	-	1	1	3
		%	-	-	0.0%	0.0%	0.1%
	60-69 years old	**People**	**-**	**-**	**361**	**364**	**386**
		%	**-**	**-**	**9.5%**	**9.2%**	**9.4%**
	Japan	People	-	-	360	363	386
		%	-	-	9.5%	9.2%	9.4%
	Outside Japan	People	-	-	1	1	0
		%	-	-	0.0%	0.0%	0.0%
	Over 70 years old	**People**	**-**	**-**	**34**	**40**	**37**
		%	**-**	**-**	**0.9%**	**1.0%**	**0.9%**
	Japan	People	-	-	34	40	37
		%	-	-	0.9%	1.0%	0.9%
	Outside Japan	People	-	-	0	0	0
		%	-	-	0.0%	0.0%	0.0%
	Total	People	4,001	4,046	3,792	3,964	4,088
		%	100%	100%	100%	100%	100%

・This table shows the number of employees for the Company and its consolidated subsidiaries by fiscal year.
・Fluctuations in the number of employees from year to year reflect the impact of business restructuring, recruitment trends, secondments, transfers and other factors.

2-1-3 Breakdown of Employees by Attribute

- The number of employees is categorised according to the following attributes, covering employees of the Group.
  - Gender
  - Region
  - Age group
- By analysing the breakdown by these attributes, we assess the composition and diversity of our human capital.
  Note that the number of employees by employment type has not been tabulated.
  - The number of consolidated employees indicates the number of full-time employees.
    The number of employees of Kanadevia is the number of full-time employees and includes employees on secondment.
  - 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.
  - Kanadevia and its consolidated subsidiaries do not employ children aged 0 to 14 years or young people aged 15 to 17 years.

2-1-4 Scope

- As a general rule, the calculation of the number of employees is based on the Company and its consolidated subsidiaries.
- The consolidated group refers to Kanadevia and its subsidiaries that are subject to Kanadevia-Consolidated accounts.
  In FY2025, 168 subsidiaries were subject to Kanadevia-Consolidated accounts.
  (Number of consolidated subsidiaries: FY2021 120 companies, FY2022 124 companies, FY2023 131 companies, FY2024 158 companies)

2-1-5 Average Age

		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Kanadevia Corporation		**Age**	**42.6**	**42.9**	**43.6**	**43.6**	**43.9**
By gender	Male	Age	-	-	43.9	44.0	44.3
	Female	Age	-	-	40.4	40.0	40.1

・This item discloses the average age on a fiscal year basis for the purpose of understanding the age composition of the Company's workforce.

・The average age is calculated based on employees who were on the books during the fiscal year.

2-1-6 Average Length of Service

		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Kanadevia Corporation		**Years**	**16.1**	**16.2**	**16.3**	**16.0**	**15.8**
By gender	Male	Years	16.3	16.4	16.6	16.4	16.2
	Female	Years	13.1	13.1	13.5	12.8	12.5

・This item discloses the average length of service by fiscal year for the purpose of understanding the retention status of the Company's workforce.

・The average length of service is calculated based on employees who were on the books during the period.

2-1-7 Employee Turnover Rate

		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Kanadevia Corporation		**%**	**-**	**-**	**3.7**	**2.5**	**★2.6**
By gender	Male	%	-	-	3.5	2.4	2.5
	Female	%	-	-	5.7	2.8	3.8

・This item discloses the employee turnover rate by fiscal year in order to assess the retention of our workforce.

・The method for calculating the turnover rate is as follows:

Turnover rate = Number of voluntary resignations / Number of enrolled employees (average value at the beginning and end of the fiscal year) x 100

Both the numerator and denominator include employees on leave and mid-career hires, but do not include employees seconded to other companies, employees seconded from other companies, or re-employed employees.

Up to FY2023, mid-career hires were excluded from the calculation, whilst employees seconded to external organisations were included.

2-2 Occupational Health and Safety: *SSBJ paragraphs 32, 36 of the General Standard; GRI 403-1, 403-2, 403-7, 403-8, 403-9*

2-2-1 Definition of Indicators

- The purpose of this item is to monitor and manage the occupational health and safety situation within the Group.
- We disclose data by fiscal year, using indicators such as the number of occupational accidents, frequency rate and severity rate.

2-2-2 Occupational Accidents

		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Kanadevia Corporation							
Number of occupational accidents		Cases	33	49	63	53	59
Number of fatal accidents		Cases	1	2	0	0	0
Number of deaths		People	1	2	0	0	0
Lost-time accidents	Head Office and Branch Offices	Cases	0	0	0	1	0
	Factory	Cases	5	3	4	3	3
	On-site construction	Cases	5	5	7	6	3
	Facilities operated and managed under contract	Cases	2	4	1	4	4
	Total	Cases	12	12	12	14	10
Occupational accident severity rate (Degree of accident severity)	Factory		0.072	0.024	1.940	0.070	0.032
	On-site construction		2.034	2.473	0.040	0.057	0.004
	Facilities operated and managed under contract		0.010	1.958	0.001	0.025	0.012
	Total		0.756	1.413	0.697	0.052	0.018
Lost Time Injury Frequency Rate (Frequency of accident occurrence)	Factory		1.26	0.76	0.97	0.64	0.59
	On-site construction		1.28	1.60	1.82	1.75	0.85
	Facilities operated and managed under contract		0.66	1.03	0.27	1.06	1.09
	Total		1.10	1.10	1.03	1.09	★0.81
(Reference) Occupational accident frequency rate for all industries (Japan)			2.09	2.06	2.14	2.10	2.01
(Reference) Occupational accident frequency rate for manufacturing (Japan)			1.31	1.25	1.29	1.30	1.33

- This table shows the number of occupational accidents, the number of work-related fatalities, etc., by fiscal year.
- The accident statistics reflect the actual situation at manufacturing sites, on-site construction projects, and in operation and management activities.
- The scopes for each category are as follows:
  - Factory: Kanadevia factories in Japan, and subsidiaries (including partner companies) that conduct business activities on the same premises as those factories.
  - On-site construction: All on-site construction in Japan (for projects where Kanadevia was the prime contractor, including subcontractors).
  - Facilities operated and managed under contract: Total of operation and management of waste incineration facilities throughout Japan (applies to all subcontractors that fall under Kanadevia safety management system).

2-2-3 Severity and Frequency Rates for Occupational Accidents

- The severity rate and frequency rate are indicators used to assess the severity and frequency of accidents, and are calculated in accordance with relevant laws and regulations and internal standards.
- 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:

  Occupational accident severity rate = Total number of days lost due to labor x 1,000 / Total actual labor hours
- The Lost Time Injury 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:

  Lost Time Injury Frequency Rate

  = Number of fatalities and injuries due to occupational accidents requiring 1 day or more absence from work x 1,000,000 / total working hours

  Calculation method of total working hours is as follows:

  For factories:

  Total of actual working hours of regular employees and the actual man-hours (days x 8 hours) of partner company personnel and dispatched workers

  For on-site construction work:

  Actual man-hours (days x 8 hours) of regular employees, partner company personnel, and dispatched workers (excluding overtime)

  For operation and management:

  Total of actual working hours of regular employees and affiliated company employees, and the actual man-hours (days x 8 hours) of partner company personnel and dispatched workers

  The following locations include temporary staff.

  Factories: Maizuru, Chikkou, Innoshima (IMEX Co., Ltd), Sakai

  On-site construction: Part of clerical and management work

2-3 Human Capital : *SSBJ paragraphs 32, 36 of the General Standard; GRI 401-1, 401-3*

2-3-1 Definition of Indicators

- The purpose of this item is to monitor and manage the status of diversity and working conditions within human capital.
- Information regarding the employment of persons with disabilities, the taking of parental leave, the recruitment of new graduates, and DX talent is disclosed on a fiscal year basis.

2-3-2 Employment of Persons with Disabilities

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Kanadevia Corporation						
Number of Employees with Disabilities	People	101	97	101	112	119
Ratio of Employees with Disabilities	%	2.37	2.28	2.35	2.68	2.76

- The number of employees with disabilities and the employment rate are organised by fiscal year and compared with the statutory employment rate.
- Ratio of Employees with Disabilities = Number of permanent workers who are eligible employees with disabilities / Number of workers as the basis for calculation of legally employed disabled persons x 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 workers are counted as one person.

2-3-3 Uptake of Childcare Leave and Related leave

		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Kanadevia Corporation							
Utilization rate of childcare leave and childcare-related leave	Male	%	-	90.3	92.6	94.8	★100.0
	Female	%	-	90.0	94.4	90.9	100.0

- The utilization rate of childcare leave and childcare-related leave are compiled annually, broken down by gender.
- 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, based on the provisions of the "Act on
- the Welfare of Workers Who Take Childcare Leave, Family Care Leave, etc., for Children or Other Family Members" (Act No. 76 of 1991).

The calculation method is as follows:

Utilization rate of childcare leave and childcare-related leave

= Number of employees who took maternity leave, childcare leave or childbirth leave for the first time during the fiscal year / Number of employees who had a child born during the fiscal year x 100

The denominator does not include employees seconded to other companies, and employees seconded from other companies.

2-3-4 Number and Ratio of new employees hired

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Kanadevia Corporation	**People**	**-**	**-**	**-**	**302**	**★320**
Number of female new employees hired	People	-	-	-	49	★55
Ratio of female new employees hired	%	-	-	-	16.2%	★17.2%
New graduates hired	People	-	-	-	126	113
Number（Male）	People	-	-	-	102	84
Ratio（Male）	%	-	-	-	81.0%	74.3%
Number（Female）	People	-	-	-	24	29
Ratio（Female）	%	-	-	-	19.0%	25.7%
Experienced recruitment	People	-	-	-	176	207
Number（Male）	People	-	-	-	151	181
Ratio（Male）	%	-	-	-	85.8%	87.4%
Number（Female）	People	-	-	-	25	26
Ratio（Female）	%	-	-	-	14.2%	12.6%
Number of female new graduates hired (university graduates or above)	People	22	16	15	23	29
Ratio of female new graduates hired4 (university graduates or above)	%	19.3%	16.2%	16.9%	21.7%	31.2%
Number of women in administrative positions	People	12	8	6	18	18
Ratio of women in administrative positions	%	63.2%	40.0%	28.6%	50.0%	60.0%
Number of women in technical positions	People	10	8	9	5	11
Ratio of women in technical positions	%	10.5%	10.1%	13.2%	7.1%	17.5%

・This section discloses the number of new recruits and their breakdown by fiscal year, with the aim of providing an overview of the Company's recruitment situation.

・The number of new recruits is categorised by type (new graduates and experienced hires) and by gender.
From FY2024, calculations include new high school graduates and experienced hires. However, the percentage of women in administrative positions and the percentage of women in technical positions do not include new high school graduates or experienced hires.

2-3-5 DX talent

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Kanadevia Corporation						
Number of DX talent trained	People	-	56	102	194	192

・"DX talent" is defined as personnel possessing the skills and knowledge necessary to drive digital transformation(DX), and we track the number of such individuals.

・From FY2025, the definition of DX talent has been revised to "individuals who have completed the DX Leader Training or DX assistance Personnel Training".

2-4 Employee Engagement: *SSBJ paragraphs 32, 36 of the General Standard*

2-4-1 Definition of Indicators

- The purpose of this item is to ascertain employees' sense of fulfilment at work and their perceptions of the working environment.
- The results of the employee engagement survey are disclosed on a fiscal year basis as an indicator.

2-4-2 Employee Engagement Indicators

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Kanadevia Corporation						
Percentage of positive responses to employee engagement questions	%	55.9	-	42.0	44.0	48.0

- This section is disclosed on a fiscal year basis, using the results of the employee engagement survey as an indicator, with the aim of understanding employees' sense of fulfilment and perceptions of the working environment within the Company. We assess the status of employee engagement using metrics such as the positive response rate derived from the employee awareness survey.
- 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.

2-5 Sustainable Procurement: *SSBJ paragraphs 32, 36 of the General Standard; GRI 403-7, 407-1, 408-1, 409-1, 414-1, 414-2*

2-5-1 Definition of Indicators

- The purpose of this item is to understand and manage the level of consideration given to sustainability within the supply chain.
- We disclose the results of surveys of suppliers and other relevant data as indicators.

2-5-2 Supply Chain Survey

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Kanadevia Corporation						
Self-Assessment Questionnaire (SAQ)						
Number of response	Companies	523	588	517	526	494
Ratio of response	%	81.5	84.2	82.9	83.9	80.9

- In the supply chain survey, we verify the sustainability practices of our suppliers through an assessment based on a questionnaire.
- The questionnaire (SAQ) was developed by the Global Compact Network Japan (GCNJ) subcommittee.
  The assessment response rate was calculated as follows:
  Assessment response rate = Number of companies that responded / Number of companies surveyed x 100
- Suppliers were selected for the survey by prioritising them based on order value. In FY2025, the survey covered 611 companies, representing 80.7 % of the total order.

2-6 DE&I (Diversity, Equity and Inclusion): *SSBJ paragraphs 32,36 of the General Standard; GRI 405-1, 405-2*

2-6-1 Definition of Indicators

・This chapter discloses indicators relating to employee composition, management composition and wage levels on a fiscal year basis, with the aim of understanding and managing the status of diversity, equity and inclusion within the Group.

2-6-2 Number and Ratio of female employees

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Kanadevia Corporation	**People**	**4,001**	**4,046**	**3,792**	**3,964**	**4,088**
Number of female employees	People	-	340	333	363	396
Ratio of female employees	%	-	8.4%	8.8%	9.2%	9.7%

・This section discloses the number of employees and their respective proportions, organised by attribute, with the aim of understanding the state of DE&I within the Group.

2-6-3 Number and Ratio of female managers

		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Kanadevia Corporation							
Number of female managers		People	-	32	34	40	52
Ratio of female managers		%	-	3.1%	3.4%	4.0%	★4.8%
By rank	General manager or above	People	-	11	11	3	7
		%	-	1.1%	1.1%	4.5%	0.6%
	Section manager	People	-	21	23	39	45
		%	-	2.0%	2.3%	2.7%	4.1%

・This section discloses the number of female managers and the proportion of female managers by fiscal year, with the aim of assessing the diversity of the managerial workforce within the Group.

・Beginning in FY2025, figures are based on actual headcount as of fiscal year-end (March 31), in accordance with "Japanese Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64, 2015)". Figures for FY2024 and earlier were based on annual average headcount.

・Change in the definition of management positions

Following a July 2024 revision to the management HR policies, Kanadevia discontinued its competency-based qualification framework for managers, including the former Senior Manager, Manager, and Senior Chief Engineer classifications. Beginning in FY2024, management positions are defined as Associate Executive Officers and managers: grade 3 or above for department-manager-equivalent positions and grades 1 or 2 for section-manager-equivalent positions.

2-6-4 Gender pay gap for all employees

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Kanadevia Corporation						
All employees (female/male)	%	-	80.1	80.2	80.3	★79.2
Permanent and full-time employees	%	-	79.5	79.4	79.8	80.0
Part-time and fixed-term employees	%	-	75.7	78.6	78.6	70.7
Kanadevia Engineering Corporation						
All employees (female/male)	%	-	71.4	72.1	71.4	71.2
Permanent and full-time employees	%	-	75.6	75.1	73.4	73.5
Part-time and fixed-term employees	%	-	45.5	52.1	54.2	49.1
Kanadevia Environment Service Company Limited						
All employees (female/male)	%	-	71.1	76.0	89.4	79.5
Permanent and full-time employees	%	-	74.1	80.3	90.7	83.8
Part-time and fixed-term employees	%	-	58.7	76.8	88.0	60.2

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Asano Ataka Co., Ltd.						
All employees (female/male)	%	-	71.0	70.9	73.2	70.4
Permanent and full-time employees	%	-	84.2	84.6	87.8	86.1
Part-time and fixed-term employees	%	-	50.5	46.4	52.8	47.2
IMEX Co., Ltd.						
All employees (female/male)	%	-	77.5	76.3	77.1	80.1
Permanent and full-time employees	%	-	77.5	76.3	77.1	80.1
Part-time and fixed-term employees	%	-	-	-	-	73.4
VTEX Corporation						
All employees (female/male)	%	-	69.0	74.4	74.0	74.1
Permanent and full-time employees	%	-	70.5	76.0	76.9	74.9
Part-time and fixed-term employees	%	-	42.2	52.6	47.9	71.8
Hitachi Zosen Marine Engine Co., Ltd.						
All employees (female/male)	%	-	-	98.6	86.2	-
Permanent and full-time employees	%	-	-	97.2	84.9	-
Part-time and fixed-term employees	%	-	-	122.3	103.6	-

・This section discloses, on a fiscal year basis, the ratio of women’s pay to men’s pay, with the aim of identifying differences in pay levels between men and women within the Company.

・Regarding part-time and fixed-term employees of Kanadevia, the calculation from FY2023 includes non-regular contract employees.
The followings 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

・Hitachi Zosen Marine Engine Co., Ltd. has been excluded from the scope of aggregation for FY2025, as it has become an equity-method affiliate.

・Gender pay gap for all employees was 79.2%, down from 80.3% in the previous fiscal year. The decline was primarily due to changes to the post-retirement reemployment program introduced alongside the increase in the mandatory retirement age to 65 in FY2025. Men make up a larger share of Kanadevia's older workforce. Raising the retirement age extended the employment of relatively highly paid male employees, while revisions to the roles and compensation of rehired retirees increased pay in employee groups with a high concentration of men. Together, these changes temporarily widened the gender pay gap.
Other contributing factors include the low representation of women in management and the shorter duration of parental leave taken by men compared with women. Kanadevia is working to narrow the gap by developing women for management roles, expanding the recruitment of women, and encouraging men to take childcare leave.

2-7 Talent Development: *SSBJ paragraphs 32, 36 of the General Standard; GRI 404-1*

2-7-1 Investment in Employee Development and Training

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Kanadevia Corporation						
Annual training hours	Hours	-	-	75,279	79,474	69,766
Average training hours per employee	Hours	-	-	22.8	20.0	18.7
Annual training costs	100 JPY Millions	-	-	1.73	2.77	2.41
Average amount invested in training per employee	JPY	36,200	57,800	52,400	69,879	64,593

- This section discloses the status of investment in training for employee skills development on a fiscal year basis, with the aim of providing an overview of the Company's human resource development activities.
- Limited to training conducted by the Company on a standalone basis and by the Human Resources Departments.
- The amount of investment in training is calculated based on expenses incurred for the Company's permanent staff and seconded personnel.

2-7-2 Information Security

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Kanadevia Group						
Number of e-learning participants	People	4,062	4,584	5,202	5,949	9,218

- This section discloses the number of participants in training programmes by fiscal year, with the aim of providing an overview of the status of information security training within the Company.

2-8 Health Management: *SSBJ paragraphs 32, 36 of the General Standard; GRI 403-6, 403-9, 403-10*

2-8-1 Health Management Promotion

		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Kanadevia Corporation							
Average days of annual paid leave taken by employees		Days	16.2	17.2	16.7	16.8	16.4
Overtime and holiday work hours	> 80 hours per month	People (total)	238	188	241	109	117
	≧ 60 hours per month	People (total)	1	6	3	2	0
Smoking rate		%	24.3	24.0	23.8	22.3	22.2
Absenteeism (absence from work due to injury or illness)		Days	1.3	1.1	1.4	1.2	1.4
Presenteeism (inability to work at full potential due to health-related issues despite coming to work)		%	93.9	93.9	93.8	94.1	94.1
Work engagement (having a positive and satisfied attitude toward work)		Points	2.5	2.5	2.5	2.5	2.2

- This section discloses key indicators relating to health management by fiscal year, with the aim of assessing the Company's efforts to maintain employee health and foster a comfortable working environment.
- Absenteeism is (Number of days absent from work due to injury or illness) + (Average number of days of absence from work for all employees) Presenteeism is overall job performance rating (productivity) of the employee survey using the WLQ-J. Actual values are averages for all employees. Work engagement is stress check measurement results. Maximum 4 points.

Chapter 3: Governance (G)

Scope and coverage: ***SSBJ paragraphs 5 to 6 of the Application Standard; GRI 1***

[Common Governance Indicators]

- In this chapter (Governance: G), we disclose various indicators with the aim of providing an overview of the Group's governance structure, internal controls and compliance.
- Due to their nature, governance indicators often **focus on systems and structures centred on the parent company,or are limited in scope to certain Group companies and to specific individuals subject to the systems, such as directors and managers.** For this reason, the governance indicators in this chapterare disclosed after clarifying **the companies and organisations included in the calculation,the scope of**
- **application of the systems, and the scope of the individuals covered.**

  As the scope and coverage rate may vary depending on the content of each indicator, unless otherwise stated, **the scope generally centres on the Company (the parent company).** Furthermore, where any companies, organisations or individuals are excluded from the calculation, the reasons for such exclusion and any current constraints are set out in the supplementary notes for each indicator.

3-1 Governance Structure: *SSBJ paragraphs 9 to 10 of the General Standard; GRI 2-9*

3-1-1 Definition of Indicators

- The purpose of this section is to clarify the Group's governance structure and management oversight mechanisms, and to ensure sound
- management and transparency.

  With regard to the governance structure, we disclose the composition, roles and operational status of the Board of Directors and various committees.

3-1-2 Composition of the Board of Directors and Committees: *SSBJ paragraphs 9 to 10 of the General Standard*

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Directors	**People**	**9**	**8**	**8**	**8**	**8**
Outside Director	People	3	3	4	4	4
Male（Number）	People	8	7	6	5	5
Mal（Ratio）	%	88.9%	87.5%	75.0%	62.5%	62.5%
Female（Number）	People	1	1	2	3	3
Female（Ratio）	%	11.1%	12.5%	25.0%	37.5%	37.5%
Japan（Number）	People	8	7	7	8	8
Japan（Ratio）	%	88.9%	87.5%	87.5%	100.0%	100.0%
Outside Japan	People	1	1	1	0	0
Outside Japan（Ratio）	%	11.1%	12.5%	12.5%	0.0%	0.0%
Executive Officer	**People**	**16**	**20**	**20**	**21**	**28**
Male（Number）	People	16	20	20	20	26
Male（Ratio）	%	100.0%	100.0%	100.0%	95.2%	92.9%
Female（Number）	People	0	0	0	1	2
Female（Ratio）	%	0.0%	0.0%	0.0%	4.8%	7.1%
Japan（Number）	People	16	20	20	21	28
Japan（Ratio）	%	100.0%	100.0%	100.0%	100.0%	100.0%
Outside Japan	People	0	0	0	0	0
Outside Japan（Ratio）	%	0.0%	0.0%	0.0%	0.0%	0.0%

- This section discloses the composition ratios of directors and executive officers by gender and by nationality (Japanese and non-Japanese) on a fiscal year basis, with the aim of providing an overview of the diversity within the Company's Board of Directors.

3-1-3 Roles and Frequency of Meetings: *SSBJ paragraphs 9 to 10 of the General Standard*

- The Board of Directors is responsible for determining the Company's management policies and important matters, whilst also performing a supervisory function over the execution of business operations.
- Furthermore, various committees are established as necessary to conduct specialised deliberations and reviews.
- The Board of Directors and each committee meet regularly to deliberate on, report on and supervise important matters concerning corporate management.
- The division of roles and reporting lines within each organisation are organised in accordance with internal regulations.

3-2 Certification Status: *SSBJ paragraphs 32, 36 of the General Standard; GRI 2*

3-2-1 Definition of Indicators

・The purpose of this item is to monitor and manage the status of the Group's environmental management and other systems.
・Disclosure is made on a fiscal year basis, using the status of external certification as an indicator.

3-2-2 Number of ISO 14001 Certified Companies

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number of ISO14001 certified companies (total)	**Companies**	**12**	**11**	**12**	**20**	**19**
Japan	Companies	9	8	9	9	8
Outside Japan	Companies	3	3	3	11	11

・The Group has obtained certifications relating to environmental management based on international standards such as ISO 14001.
・Includes 1 company (in Japan) that has obtained standards equivalent to ISO14001 (Kyoto Environmental Management System standard, Eco Action 21).

3-2-3 Scope of Certification

・In some cases, this includes companies that have only obtained certification at some of their business locations.

3-3 Intellectual Property Holdings: *SSBJ paragraphs 32, 36 of the General Standard*

3-3-1 Definition of Indicators

・The purpose of this section is to monitor and manage the Kanadevia's intellectual property holdings.
・We disclose the number of patent applications, grants and holdings, as well as the number of design and trade mark rights held, on a fiscal year basis.

3-3-2 Patent Applications, Grants and Holdings

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number of applications	**Cases**	**157**	**140**	**140**	**121**	**166**
Japan	Cases	72	81	80	76	77
Outside Japan	Cases	85	59	60	45	89
Number of patents granted	**Cases**	**153**	**144**	**134**	**93**	**103**
Japan	Cases	93	83	74	42	45
Outside Japan	Cases	60	61	60	51	58
Number of Rights Held	**Cases**	**1,250**	**1,249**	**1,274**	**1,293**	**1,313**
Japan	Cases	744	779	789	781	779
Outside Japan	Cases	506	470	485	512	534

3-3-3 Number of Design Rights and Trade Mark Rights Held

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Design rights	**Cases**	**146**	**124**	**128**	**126**	**128**
Japan	Cases	100	96	96	96	96
Outside Japan	Cases	46	28	32	30	32
Trade Mark Rights	**Cases**	**221**	**227**	**212**	**233**	**249**
Japan	Cases	170	171	161	166	163
Outside Japan	Cases	51	56	51	67	86

3-4 Corporate Ethics and Whistleblowing System: *GRI 205-2*

3-4-1 Definition of Indicators

- The purpose of this item is to understand and manage the corporate ethics and compliance framework within the Group.
- We disclose the status of compliance training and the operation of the internal whistleblowing system as indicators.

3-4-2 Corporate Ethics and Compliance Training: *SSBJ paragraphs 10, 29 of the General Standard*

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
E-learning	People	6,082	6,423	8,440	8,900	9,700
Training for new recruits	People	115	99	89	108	132
Training for newly appointed managers	People	222	256	214	211	186
Compliance seminars	People	560	888	732	1,377	1,582

- The Group regularly conducts training on corporate ethics and compliance for its officers and employees.
- Numbers of participants in the compliance training program for all officers and employees of Kanadevia and its subsidiaries are listed.

3-4-3 Whistleblower System: *SSBJ paragraphs 9 to 10, 29 of the General Standard*

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number of compliance reports	Cases	23	12	25	29	51

- The internal whistleblowing scheme is available to executives and employees of the Company and its global subsidiaries (including contract staff, seconded staff and temporary agency workers), as well as to employees of the Company's business partners.
- Whistleblowers may choose at their discretion between an internal contact point or an external contact point (a law firm).

3-5 Compliance Status: *SSBJ paragraphs 32, 36 of the General Standard; GRI 419-1*

3-5-1 Definition of Indicators

- The purpose of this item is to ascertain the status of legal compliance within the Group and to utilise this information for risk management and the prevention of recurrence.
- We disclose indicators such as the number of violations of environmental and social laws and regulations, the number of complaints, and the number of fines and sanctions.

3-5-2 Number of Regulatory Violations and Complaints

		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Regulatory violations	Water quality	Cases	0	0	2	*	0
	Air quality	Cases	0	0	2	*	0
	Waste materials	Cases	0	0	0	0	1
	Other (equipment registration, etc.)	Cases	0	0	0	0	0
Complaints		Cases	2	1	0	0	2

- The Group's basic policy is to comply with relevant laws and regulations, and in the event of any violations or complaints, we identify and manage the details thereof.
- The scope (FY2024) covers Kanadevia and 4 subsidiaries.

* Refer to "Notice of Inappropriate Conduct in the Marine Engine Business of Kanadevia Group" (https://www.kanadevia.com/english/newsroom/news/assets/pdf/FY2024-92.pdf), and "Notice of Inappropriate Conduct in Businesses Other than the Marine Engine Business of Kanadevia Group" (https://www.kanadevia.com/english/newsroom/news/assets/pdf/FY2025-33.pdf).

3-5-3 Number of Fines and Sanctions

		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number of cases paid over 1 JPY Million	Japan	Cases	-	-	0	0	0
	Outside Japan	Cases	-	-	0	0	0

- Where fines or sanctions have been imposed, we have identified the number of cases and their details, and are taking measures to prevent recurrence.
- Supplementary Information

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

Chapter 4: Calculation Methods and Uncertainties

Positioning of this Chapter (Scope of Application): ***GRI 1***

- The purpose of this chapter is to provide a "cross-cutting" overview of **the calculation methods, assumptions, uncertainties and revision history** for each indicator included in this databook, with a view to ensuring that disclosure and updates are carried out in accordance with consistent rules across all indicators. The figures for each indicator (by financial year, breakdown, coverage rate, etc.) are set out in the respective indicator sheets; this chapter sets out the common principles and quality information relating to their preparation and updating.

4-1 Calculation Standards Common to All Indicators (Common Principles): *SSBJ paragraphs 30 to 31 of the Application Standard; GRI 1*

4-1-1 Approach to Standards and Guidelines Used for Calculation

- When calculating each indicator,**reliability, comparability and consistency** shall be ensuredin accordance with relevant laws and regulations, public guidelines and internationalstandards.
- The standards referred to for each indicator (e.g. the GHG Protocol, calculation and reporting systems of relevant government ministries and agencies, etc.) shall be explicitly stated as the basis for the calculation of each indicator.
  Conversion factors for energy input (e.g. calorific value conversion, primary energy conversion, etc.) are based on values published by the Ministry of the Environment and other bodies, and the most recent values for each financial year are adopted.
- Various emission factors and conversion factors are based on values published by the Ministry of the Environment and other bodies, and the most recent values for each financial year are adopted. The version and source of each factor shall be clearly stated in the notes for each indicator or in this chapter.

4-1-2 Common Policy on Scope (Boundaries) and Aggregation Units

- The scope (consolidated/stand-alone, in Japan / outside Japan, sites, business operations,etc.) is defined according to the nature of the indicator; **where changes occur from one financial year to the next, the reasons and implications** are clearly stated. Furthermore, the aggregation units for each indicator (number of companies, number of sites, percentage of turnover, etc.) and conversion units (GJ, m^3, tonne, kt-CO_2e, etc.) are organised to ensure consistency across indicators.

4-1-3 Policy for Calculating Coverage Rate (Comprehensiveness)

- The coverage rate indicates the comprehensiveness of the data included in the calculation of each indicator and shall, in principle, be calculated using one of the following methods (or a combination thereof):
  - **Percentage of consolidated turnover**: Used as an indicator of comprehensiveness relative to the entire group
  - **Percentage of companies**: Used as an indicator of comprehensiveness for a specific group of companies (e.g. companies with manufacturing processes)

  The basis for calculating the coverage rate for each indicator (definitions of the numerator and denominator, criteria for excluding entities, etc.) shall be clearly stated in the "Scope and Coverage Rate" column for each indicator.

4-2 Uncertainty regarding the data set as a whole (common approach): *SSBJ paragraphs 83 to 85 of the Application Standard; GRI 1*

4-2-1 Main factors contributing to uncertainty

- The main factors contributing to uncertainty include the following:
  - **Errors in the measurement and aggregation of activity data** (on-site measurements, aggregation systems, differences in the timing of aggregation,etc.)
  - **Use of estimates** (filling in gaps where data is unavailable, application of representative values or coefficients, etc.)
  - **Fluctuations in external coefficients and conversion factors** (revisions to published coefficients, differences between countries and regions,etc.)
  - **Changes to definitions and boundaries** (review of target companies, target processes, classifications, etc.)

  Where these factors have a significant impact on indicator values, the nature and direction of the impact shall be explained in the notes for each indicator.

4-2-2 Basic Policy for Reducing Uncertainty

- The Group endeavours to reduce uncertainty as far as possible through the following measures:
  - Expansion of the scope of data collection (increasing the number of companies and sites covered)
  - Increased use of direct measurements or primary data
  - Regular review of coefficients and assumptions (updating to the latest data)
  - Ensuring consistency in definitions and classifications (maintaining comparability year on year)

4-3 Points to Note Regarding Items Using Estimates: *SSBJ paragraphs 32 to 33 of the Application Standard; GRI 1*

- For some indicators, estimates may be used for purposes such as supplementing data gaps.
- When using estimates, ensure that the following criteria are met.

4-3-1 Conditions for the application of estimates

- Limit their use to cases where direct measurement is difficult or cannot reasonably be carried out
- Clarify the necessity of the estimate, its scope of application, and the availability of alternative methods

4-3-2 Transparency of Estimation Methods

- Clearly state the assumptions, coefficients, representative values, etc., used in the estimates
- Explain the uncertainty associated with the estimates (factors contributing to estimation error)
- Where possible, consider ways to improve the estimates (e.g. by obtaining primary data or expanding the scope)

4-4 Cross-references between this chapter and the individual indicator chapters: *SSBJ paragraphs 73 to 76 of the Application Standard; GRI 1*

- In this Databook, numerical data for each indicator is organised separately from explanations of calculation methods, assumptions and other relevant details.
- Each indicator chapter (Chapters 1, 2, 3) focuses primarily on data points such as figures by fiscal year, breakdowns, scope of coverage and coverage rates.
- Meanwhile, calculation methods and assumptions specific to GHG emissions are consolidated in 1-3, "Calculation Methods, Assumptions and Uncertainties (GHG)".
- In this chapter (Chapter 4), we have organised the calculation standards, approach to uncertainty, estimation rules and revision history common to all indicators in a cross-cutting manner, thereby aiming to improve comparability and comprehensibility whilst avoiding duplication.
  Chapter 5 describes the scope, level and assurance bodies for third-party assurance.

4-5 Revision History (List) — Management of Updates and Revisions: *SSBJ paragraphs 86 to 89 of the Application Standard; GRI 1*

- Should any revisions be made to the figures in this Databook, the details of such revisions shall be clearly stated and, where necessary, figures for previous years shall be retrospectively revised to ensure **comparability**.
- Where revisions occur, at least the following shall be recorded and disclosed:
  - Indicators subject to revision (chapter/section)
  - Fiscal year subject to revision
  - Details of the revision (what was corrected and how)
  - Reason for the revision (revision of classifications, aggregation errors, updating of coefficients, etc.)
  - Scope of impact (affected tables, related indicators)

Chapter 5: Third-Party Assurance

Context of this Chapter: ***GRI 2-5***

- The purpose of this chapter is to clarify which indicators included in the Databook are subject to **third-party assurance, as well as the level and scope of such assurance**, there by ensuring the reliability and comparability of the data.
- The numerical values for each indicator are set out in the respective indicator chapters (Chapters 1, 2, 3), whilst this chapter **organises cross-cutting information relating to assurance**.

5-1 Indicators Subject to Assurance: ***SSBJ paragraph 36(3) of the General Standard; GRI 2-5***

- The indicators subject to third-party assurance are those environmental and social performance indicators included in this Databook that have been designated as subject to external assurance.
  Indicators subject to assurance are clearly identified by a symbol (e.g. ★ mark) attached to the relevant indicator table, distinguishing them from indicators not subject to assurance.

5-2 Assurance Level and Nature of the Work: ***GRI 2-5***

- As a general rule, third-party assurance is conducted as "**a limited assurance**".
  Limited assurance is a level of assurance in which, whilst the scope of procedures is more limited than that of a reasonable assurance, a conclusion is expressed regarding the absence of material misstatements.
  In conducting assurance engagements, assurance is provided through appropriate procedures and judgements in accordance with international assurance standards.

5-3 Scope of Assurance: ***SSBJ paragraph 36 of the General Standard; GRI 2-5***

- The scope of assurance is, in principle, defined on the basis of the following:
  - Covered period (fiscal year)
  - Covered companies and sites
  - Covered indicators and data

  Details of the scope are clearly stated in the third-party assurance report; where any indicators or areas are excluded from the scope of assurance, this is indicated accordingly.

5-4 Material Information and Information Excluded from Assurance: ***SSBJ paragraph 36 of the General Standard; GRI 2-5***

- Third-party assurancehas been conducted on **the subject matter** designated as the subject of assurance; anything other than the subject matter specified in the assurance report is excluded from the scope of assurance. With regard to information excluded from the scope of assurance, no procedures were carried out as part of the assurance engagement, and it is explicitly stated in the third-party assurance report that such information is excluded from the scope of the conclusion.

5-5 Approach to Internal Control and Audit Trail Management: ***SSBJ paragraphs 10, 29 of the General Standard***

- The indicators published in this databook are compiled by the department responsible for data preparation within the company,
- and the supporting documents and evidence forming the basis for the calculations are appropriately stored and managed.
  In the data preparation process, emphasis is placed on the following points:
  - Clarification of the department responsible for data preparation
  - Documentation of calculation methods and assumptions
  - Retention of supporting documentation and ensuring reproducibility

  Through these initiatives, we are developing a framework capable of accommodating future expansions of the scope of assurance.

5-6 Approach to Future Expansion of Assurance

- With the aim of enhancing the reliability of ESG data, the Group will, going forward, consider reviewing the indicators subject to assurance and optimising the assurance level.

  Specifically, we will consider phased measures based on the following perspectives:

  - Review of the indicators subject to assurance
  - Expansion of the scope of assurance (companies and sites)
  - Establishment of internal systems to enhance assurance procedures

  Decisions regarding the expansion of assurance will be made after comprehensively considering data quality, the status of audit trail management, and operational workload.

5-7 Cross-references (relationship between this chapter and other chapters)

- In this Databook, the numerical information for the indicators themselves is organised separately from the calculation assumptions and assurance information that supplement them.
- Each indicator chapter (Chapters 1, 2, 3) sets out data points such as figures by fiscal year, breakdowns, scope of coverage and coverage rates.
- Chapter 4, "Calculation Methods and Uncertainty", provides a cross-cutting overview of the calculation standards common to all indicators, the approach to uncertainty, estimation rules and revision history.
- This chapter (Chapter 5) describes the subject matter, **assurance level, scope of assurance and assurance body** in cases where sustainability information has undergone third-party assurance.

Independent Practitioner's Limited Assurance Report

To the President of Kanadevia Corporation

Conclusion

We have performed a limited assurance engagement on whether selected environmental and social performance indicators (the "subject matter information" or the "SMI") presented in Kanadevia Corporation's (the "Company") ESG Databook 2026 (the "Report") as of and for the year ended March 31, 2026 have been prepared in accordance with the criteria (the "Criteria"), which are established by the Company and are explained in the Report. The SMI subject to the assurance engagement is indicated in the Report with the symbol "★".

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's SMI as of and for the year ended March 31, 2026 is not prepared, in all material respects, in accordance with the Criteria.

Basis for Conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, and International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to 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.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

Our conclusion on the SMI does not extend to any other information that accompanies or contains the SMI (hereafter referred to as "other information"). We have read the other information but have not performed any procedures with respect to the other information. We do not express any form of conclusions thereon.

Responsibilities for the SMI

Management of the Company are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the SMI that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the SMI and appropriately referring to or describing the criteria used; and
- preparing the SMI in accordance with the Criteria.

Inherent limitations in preparing the SMI

As described in the Report, GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials. Hence, the selection by management of a different but acceptable measurement method, activity data, emission factors, and relevant assumptions or parameters could have resulted in materially different amounts being reported.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Company's management.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the SMI and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- assessing the suitability of the criteria applied to prepare the SMI;
- conducting interviews with the relevant personnel of the Company to obtain an understanding of the key processes, relevant systems and controls in place over the preparation of the SMI;
- performing analytical procedures including trend analysis;
- identifying and assessing the risks of material misstatements;
- performing a site visit at the Company's Chikkou Works which was determined through our risk assessment procedures;
- performing, on a sample basis, recalculation of amounts presented as part of the SMI;
- performing other evidence gathering procedures for selected samples; and
- evaluating whether the SMI was presented in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

/s/ Keisuke Inoue

Keisuke Inoue, Engagement Partner

KPMG AZSA Sustainability Co., Ltd.

Osaka Office, Japan

September 15, 2026