

## Nisshinbo Group Greenhouse Gas Emissions Data 2023

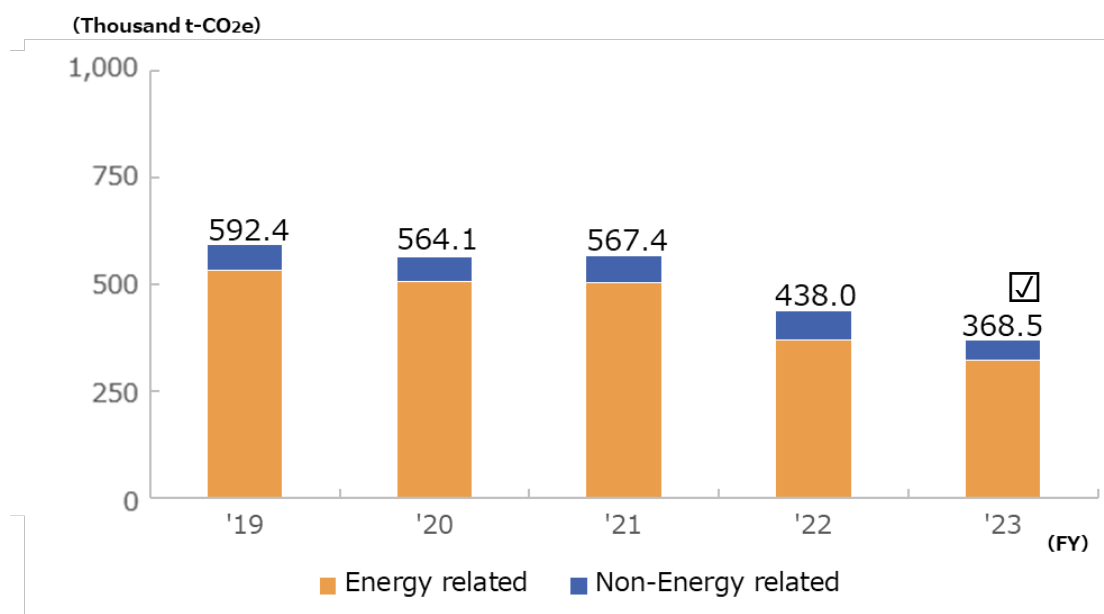
### Greenhouse Gas Emissions

The Nisshinbo Group's greenhouse gas emissions (Scope1 + Scope2) in FY2023 were 368.5 thousand t-CO<sub>2</sub>e, down 16% from the previous fiscal year's greenhouse gas emissions.

PT. Nikawa Textile Industry (Indonesia), Textiles business, has stopped using coal boilers and eliminated the use of coal as of November 2021, and three bases in Indonesia, including the company, gradually switched all electricity purchases to electricity derived from renewable energy sources, such as geothermal power, from mid-2022. As a result of these and other factors, the Group's energy-related greenhouse gas emissions have been significantly reduced as of 2022. The expansion of solar power generation facilities in Japan and overseas and the switch to electricity derived from renewable energy sources for purchased electricity increased the share of electricity used by the Group from renewable energy sources to 21% (8% in the previous year), which further reduced greenhouse gas emissions in FY2023.

Perfluorocarbons (PFCs) composed 81% of non-energy related greenhouse gas emissions. The PFCs emissions were mainly from the semiconductor product manufacturing process in the Micro Devices business. Emissions decreased from FY2022 levels from the installation of additional PFCs abatement equipment and a decrease in production volume due to sluggish demand for semiconductors.

### Trends in Greenhouse Gas Emissions



\*1 Because of the transfer of all shares of TMD FRICTION GROUP S.A. (TMD), a subsidiary in the Automobile Brakes business, on November 30, 2023, and for other factors, TMD and 21 other companies were excluded from the scope of consolidation. Therefore, TMD and 21 other companies are included in the data until November 2023.

\*2 On December 27, 2023, HVJ Holdings, Inc. and its subsidiary Hitachi Kokusai Electric Inc. and 7 other companies were included in the scope of consolidation, but are not included in the data for FY2023.

## **Trends in Greenhouse Gas Emissions by Scope**

(Thousand t-CO<sub>2</sub>e)

	Classification		FY2019	FY2020	FY2021	FY2022	FY2023
Greenhouse Gas Emissions	Scope1	(Energy related + Non-Energy related)	243.8	246.7	237.9	134.6	109.3
		(Energy related)	183.1	187.7	173.7	66.7	63.4
		(Non-Energy related)	60.7	59.0	64.2	67.9	45.9
	Scope2	(Energy related)	348.6	317.4	329.4	303.4	259.2
	Scope1+Scope2	(Energy related + Non-Energy related)	592.4	564.1	567.4	438.0	368.5 <sup>☑</sup>

The data marked with ☑ is assured by a third party (Deloitte Tohmatsu Sustainability Co., Ltd.).

### **[Calculation method]**

•Scope1 :

$$\text{Energy related Greenhouse Gas Emissions} = \Sigma [\text{Fuel Consumption} \times \text{CO}_2 \text{ Emission Factor}^{*1}]$$

Non-Energy related Greenhouse Gas Emissions = Non-Energy related CO<sub>2</sub> Emissions +  
 $\Sigma [\text{Greenhouse Gas Emissions other than CO}_2 \times \text{Global Warming Potential}^{*2}]$

\*1 Emission factors based on the Act on Promotion of Global Warming Countermeasures are used. Coal, however, uses a factor calculated based on actual calorific values is used, and 1.870 t-CO<sub>2</sub>/t is used for FY2023.

\*2 Global warming potential based on the Act on Promotion of Global Warming Countermeasures.

•Scope2 :

Energy-related Greenhouse Gas Emissions =  
 $\Sigma [\text{Purchased Electricity and Purchased Steam Volume} \times \text{CO}_2 \text{ Emission Factor}^{*3}]$

\*3 Purchased electricity uses, in Japan, adjusted emission factors for each electric company based on the Act on Promotion of Global Warming Countermeasures, and the in foreign countries, the emission factors for each electric company, and if unavailable, country-specific emission factors published in the relevant year of IEA Emissions Factors. Data for FY2021 and earlier use country-specific emission factors for each year from "IEA Emissions Factors 2021". For purchased steam, the emission factor calculated by the purchasing company (0.0583 t-CO<sub>2</sub>/GJ in FY2023) is used.

### **[Subject Organizations]**

In FY2023, a total of 98 companies, including Nisshinbo Holdings Inc. and 97 consolidated subsidiaries, were counted.

As stated in \*1\*2 of the Greenhouse Gas Emissions Trends, the number of subsidiaries includes TMD and 21 other companies and does not include HVJ Holding, Inc., and Hitachi Kokusai Electric Inc. and 7 other companies, which are subsidiaries of HVJ Holdings, Inc.

### **Independent Practitioner's Assurance of Environmental Data**

To improve the reliability of environmental performance data on greenhouse gas emissions (Scope1 and Scope2), the Nisshinbo Group has received independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co., Ltd. in the Japanese version.

## Independent Practitioner's Assurance Report

June 14, 2024

Mr. Masahiro Murakami,  
Representative Director and President,  
Nisshinbo Holdings Inc.

Tomoharu Hase  
Representative Director  
Deloitte Tohmatsu Sustainability Co., Ltd.  
3-2-3, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the sustainability information indicated with ☒ for the year ended December 31, 2023 (the "GHG Information") included in the "Nisshinbo Group Greenhouse Gas Emissions Data 2023" (the "Report") of Nisshinbo Holdings Inc. (the "Company").

### The Company's Responsibility

The Company is responsible for the preparation of the GHG Information in accordance with the calculation and reporting standard adopted by the Company (indicated with the GHG Information included in the Report. Greenhouse gas quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

### Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Our Responsibility

Our responsibility is to express a limited assurance conclusion on the GHG Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and the *Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

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 we performed a reasonable assurance engagement.

### Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the GHG Information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.