Translation

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FUJIMI INCORPORATED
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Notice Concerning Information Disclosure Based on TCFD Recommendations

FUJIMI INCORPORATED (the "Company") is pleased to announce that the Company has disclosed information based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD*1).

From now on, the Company will strive to enhance its information disclosure and strengthen its efforts to address climate change in order to ensure the sustainable growth of its group.

1. Basic Approach

The effects of climate change have intensified in recent years, and the increase in greenhouse gas (GHG) emissions can be mentioned as a factor. The Paris Agreement agreed to at COP21 in 2015 raised "holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels" as a common global goal.

For some time now, the Company has raised the following as its corporate mission: "Our mission is to develop new, innovative technologies and applications with a commitment to environmental sustainability, thereby enabling the advancement of technology for the betterment of humanity." We support the thinking of the Paris Agreement because we have balanced our business activities with environmental conservation. In addition, when formulating our Medium- and Long-term Business Plan 2023, we identified 18 materialities as important issues that we will work on with priority towards the realization of a sustainable society and have raised "response to climate change" as one of our most important issues.

The Company has also been working on the reduction of GHG emissions until now, such as establishing an Energy-Saving Committee at each plant to manage energy consumption meticulously. From now on, we will promote the reduction of environmental burdens even further by grasping the emissions of each base, setting medium- and long-term reduction targets for the Company as a whole, and considering various measures.

2. Governance

For some time now, the Company has raised the following as its corporate mission: "Our mission is to develop new, innovative technologies and applications with a commitment to environmental sustainability, thereby enabling the advancement of technology for the betterment of humanity." We have balanced our business activities with environmental conservation.

The Company has established a system whereby its policies and targets concerning the response to climate change are deliberated based on management plans, business strategies, etc., by the Sustainability Promotion Committee, chaired by the President, with the results then submitted to the Board of Directors for supervision.

3. Strategy

As the world as a whole continues to take on the challenge of decarbonization, businesses are faced with great uncertainty.

The Company implemented the scenario analysis required by the TCFD recommendations to verify the resilience of management in regard to that uncertainty.

In implementing this scenario analysis, we analyzed the future anticipated risks and opportunities for the Company under two scenarios: a "1.5°C scenario" in which the impacts of transition risks and opportunities are prominent; and a "4°C scenario" in which the physical impacts due to the average increase in temperature are prominent, based on the climate change scenarios published by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).

From now on, we will further deepen and review our scenario analysis, and work on the formulation of a transition plan to decarbonization, whose disclosure is required under the revised TCFD guidance and International Sustainability Standards Board (ISSB*2).

4. Risk Management

To promote the reduction of risk and the creation of business opportunities, the Company promotes risk management activities, such as holding meetings of the Global Risk Management Committee twice a year, chaired by the President and also comprised of the Board of Directors, Senior General Managers, Deputy Senior General Managers and General Managers.

The Company classifies risks, including risk events related to climate change, into four risk levels based on indicators such as their level of importance and frequency of occurrence, and has established the departments responsible for the handling of those risks. In addition, the Company forms project teams for countermeasures as required for events judged to present extremely high-risk to promote activities, and the committee deliberates carefully and thoroughly on risk reduction activities and the state of progress towards short, medium- and long-term targets before submitting the content of deliberations to the Board of Directors regularly.

5. Metrics and Targets

The Company is working on the calculation of Scope 1 and 2 GHG emissions to clarify the direction of initiatives to respond to climate change, one of the materialities we have identified, and to implement them steadily.

From now on, we will calculate Scope 3 GHG emissions and set medium- and long-term reduction targets for Scope 1 and 2, which will be monitored regularly by the Board of Directors.

6. Posting on the Company's website

The Company has published "Information Disclosure Based on the TCFD Recommendations" on its' website. Please see the details for more information as below.

https://www.fujimiinc.co.jp/english/csr/index.html

*1 Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB) at the request of the G20 to consider climate-related disclosure and responses by financial institutions. The TCFD recommendations recommend that companies disclose information on four areas: "governance", "strategy", "risk management", and "metrics and targets" regarding climate change-related risks and opportunities. The Task Force was dissolved in October 2023, but an international sustainability disclosure standard (ISSB standard) incorporating the TCFD disclosure framework was developed. For this reason, the TCFD disclosure framework continues to be used as a framework for disclosing to stakeholders the content and impact of risks and opportunities posed by climate change on corporate finances.

*2 International Sustainability Standards Board (ISSB) was established by the IFRS Foundation, which is responsible for formulating international accounting standards, and is an organization that develops international standards based on existing sustainability disclosure frameworks such as the TCFD recommendations.

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