Information Disclosure Based on TCFD Recommendations

Table of Contents ----------

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1. Policy and Basic Approach to Climate Change

Climate change is one of the most pressing issues facing global society. It is a highly urgent issue that seriously impacts people's lives and the natural environment as seen in the unprecedented extreme weather events that are already occurring with greater frequency and intensity around the world. The Paris Agreement, an international treaty on climate change measures, aims to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels, and states that this requires achieving a balance between anthropogenic greenhouse gas (GHG) emissions and removals by the second half of this century.

The Inabata Group fully recognizes the effects of climate change and the need for countermeasures, and has made it clear that the Group strives to conserve the global environment through business activities in its Sustainability Basic Policy, Sustainability Code of Conduct, and Declaration of Compliance. When we announced materiality in June 2022, we highlighted "contributing to a decarbonized and circular society" and identified global environmental problems, including climate change, as one of the key issues for management.

We consider climate change a risk to the Group, but one that also presents business opportunities. Therefore, as well as taking steps to reduce GHG emissions, we seek to provide products and solutions that contribute to a decarbonized society.

Having endorsed the recommendations issued in June 2017 by the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD), * we work to develop an appropriate understanding of the impact of climate change on our business activities and disclose the details of such impact.

＊The TCFD was launched in 2015 at the request of the Group of Twenty (G20). Recognizing the significant impact that climate change will have on financial markets, the Final Report (Recommendations of the TCFD) released in 2017 called on companies and other entities to disclose information on the risks and opportunities presented by climate change.

2. TCFD's core elements of recommended climate-related financial disclosures and a summary of responses by the Inabata Group

Core elements	Description	Inabata Group response
Governance	Disclose the organization's governance around climate-related risks and opportunities.	Sustainability issues, including climate change, are deliberated and examined at the Sustainability Committee, which is chaired by the president. All directors participate in the Sustainability Committee, thereby serving the Board of Directors' oversight function through the committee. The Regulations of the Board of Directors require the director in charge of sustainability to report to the Board of Directors on the status of initiatives to address sustainability issues. The content of deliberations and examinations at the Sustainability Committee is also reported appropriately to and overseen by the Board of Directors as part of the abovementioned process.
Strategy	Disclose the impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Regarding the 4ºC scenario, whereas the Group's bases in Japan and overseas are assumed to suffer damage due to intensifying extreme weather events, the risk is not estimated to be so great as to significantly impact business operations. In terms of opportunities, demand for products adapted to rising temperatures and changing weather patterns is expected to increase. Accordingly, it is concluded that the Group will be able to maintain its resilience. Regarding the 1.5ºC scenario, we identified the increase in operating costs due to the introduction of carbon pricing and steep rises in the price of electricity as a risk. However, the risk is projected to be more than offset by gaining revenue opportunities from future growth in technologies and products that contribute to low-carbon economy and reduced environmental impact. We have reaffirmed that the growth strategy of expanding our environment-related business set out in the New Challenge 2026 medium-term management plan and the strategy to contribute to the global environment through business specified in the Sustainability Medium-term Plan 2026 will have a great impact on our growth in the decarbonized society of the future.
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	The Inabata Group's Sustainability Committee manages climate-related risks and opportunities. The committee differentiates, assesses, and manages risks and opportunities identified and examined from both qualitative and quantitative perspectives based on scenario analysis and other means. This is reported to and overseen by the Board of Directors as necessary. The Board of Directors oversees Group-wide risks of high importance in an integrated manner, taking into account reports from the Sustainability Committee as well as other risks reported by the Risk Management Office, the Financial Management Office, the Compliance Committee, and other units.

Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	To commit to achieving the global goal of limiting the increase in temperatures to 1.5ºC as stated in the Paris Agreement, the Inabata Group has set the long-term goal of carbon neutrality by FY2050 (covering Scopes 1 and 2 emissions of the consolidated Group). In addition, we have set the medium-term target of reducing GHG emissions by 25% compared to FY2022 levels by FY2026 and 42% by FY2030 (covering Scope 1 and 2 emissions of the consolidated Group) in the Sustainability Medium-term Plan 2026. This target was set in compliance with the 1.5˚C goal stated in the Paris Agreement. Since FY2021, we have calculated Scope 3 emissions in order to ascertain emissions for our entire supply chain. Currently this applies only to the parent company, but we will expand the scope of calculations in the future.

3. Governance

In October 2021, the Inabata Group set up the Sustainability Committee, chaired by the president, to promote Group-wide initiatives that address sustainability further.

The committee members are the senior managing executive officer in charge of sustainability who serves as the vice-chair, one director and two executive officers in charge of the four business segments, and six selected heads of administrative offices. In addition, seven outside directors and two non-executive directors also participate in the committee as observers to provide necessary opinions. All directors participate in the committee, thereby serving as the Board of Directors' oversight function through the committee.

Convened at least once a year (plus extraordinary meetings as needed) in principle, the committee formulates, authorizes, and monitors the Group's sustainability policies and measures.

The Regulations of the Board of Directors require the director in charge of sustainability to report to the Board of Directors at least once a year on the status of initiatives to address sustainability issues (such as considerations for climate change and other global environmental issues, respect for human rights, considerations for employee health and working environment, fair and reasonable treatment of employees, fair and reasonable transactions with business partners, and crisis management for natural disasters). In addition, the status of these initiatives is reported to the Board of Directors through the quarterly reports on business execution. The content of deliberations and examinations at the Sustainability Committee is also reported to and overseen by the Board of Directors as part of the abovementioned process.

The Inabata Group recognizes that addressing sustainability is an important management issue. Therefore, to enhance the effectiveness of the Board's approach to sustainability issues, it has set environmental, social, and governance (ESG) scores by multiple external evaluation organizations (FTSE Russell and MSCI) as the indicators for performance-linked remuneration for directors,*[1] and has set the Group engagement survey achievement rate as the indicator for calculating the performance coefficient for the Board Benefit Trust.*[2]

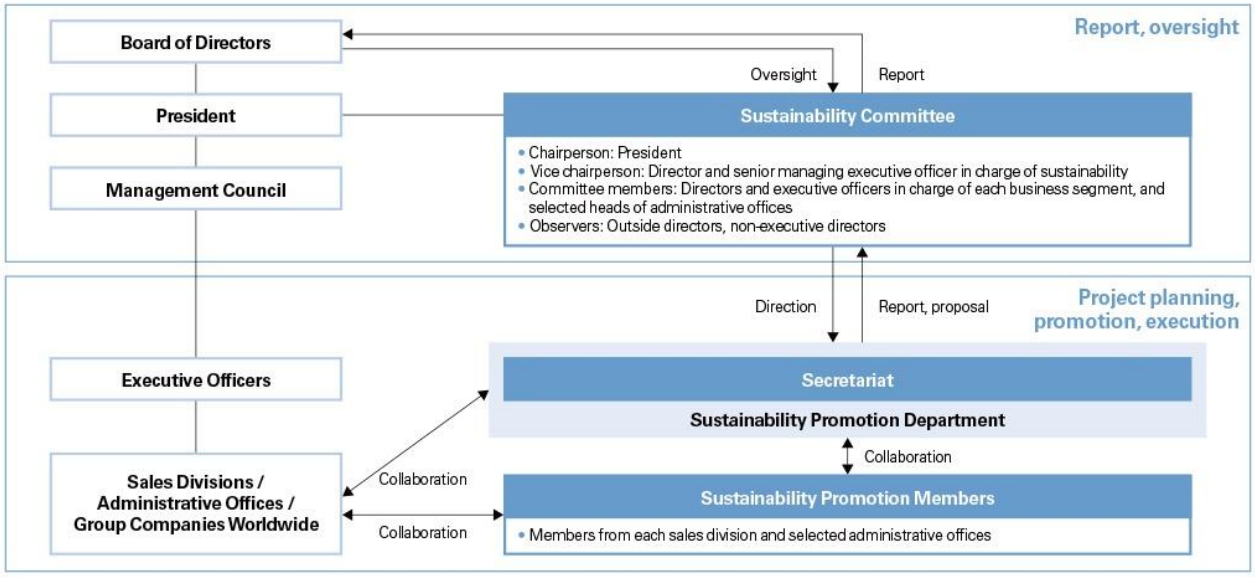
To promote sustainability activities across the Inabata Group, matters resolved by the Sustainability Committee

are implemented and managed through collaboration between the dedicated Sustainability Promotion Department and the Sustainability Committee Secretariat that comprises members appointed from selected administrative offices. In addition, to support meaningful discussions at the Sustainability Committee, the Sustainability Promotion Department collates and provides Group-wide sustainability information, working together with Sustainability Promotion Members appointed from the sales divisions and selected administrative offices.

*1. Performance-linked remuneration is calculated by multiplying position-specific fixed remuneration by a coefficient that is based on the levels of the following: profit before income taxes (excluding gain on sale of investment securities), capital profitability (return on invested capital and return on equity), stock price, and ESG scores from multiple external evaluation organizations (FTSE Russell and MSCI).

*2. Points bestowed for the fiscal year are determined by adding service points, which are fixed at 50% of the base points specified for each position, and performance points, which are calculated by multiplying service points by the performance coefficient. The performance coefficient is determined by the consolidated operating profit target achievement rate and the Group engagement survey achievement rate. The consolidated operating profit target achievement rate refers to the results compared to the target publicly announced in the medium-term management plan. The Group engagement survey achievement rate refers to the achievement rate compared to the mean of the key performance indicators related to employee engagement survey that are defined in the Sustainability Medium-term Plan.

■ Sustainability promotion system



■Main sustainability-related matters discussed by the Sustainability Committee and reported to the Board of Directors

FY2021	Establishment of Sustainability Basic Policy and Code of Conduct
	Establishment of Human Rights Policy
FY2022	Participation in the United Nations Global Compact
	Identification of materiality

	Carbon Neutrality Declaration 2050
	Information disclosure in accordance with TCFD recommendations
	Status of external ESG evaluations
	Progress on calculation of GHG emissions (Scopes 1, 2, and 3)
	Progress on TCFD-compliant scenario analysis
	Progress on human rights due diligence
FY2023	Endorsement of TCFD and TCFD Consortium
	Information disclosure based on TCFD recommendations
	Calculation of GHG emissions (Scopes 1, 2, and 3)
	Progress on human rights due diligence
FY2024	Formulation of the Sustainability Medium-term Plan 2026
	Carbon Neutrality Transition Plan
	Status of external ESG evaluations (e.g., FTSE, MSCI)
	Revision of Human Rights Policy and establishment of Sustainable Supply Chain Policy
	FY2023 results compared to the Sustainability Medium-term Plan 2026
	Purchase plan for renewable energy certificates

4. Strategy

The Inabata Group strives to understand the business risks and opportunities arising from the transition risks and physical risks of climate change, and to reflect this in the formulation of climate change countermeasures and business strategies.

In addition to 2030, which is the year for achieving our long-term vision IK Vision 2030, the scenario analysis below assumes 2050, which is the year for achieving our carbon neutrality target. We consider both qualitative and quantitative aspects with reference to the 4ºC scenario, which assumes no implementation of more ambitious climate change measures and intensifying extreme weather events, and the 1.5ºC scenario (partly combined with the 2ºC scenario), which assumes implementation of more ambitious climate change measures aimed at decarbonization.

Reference scenarios		
■1.5℃ scenario	IEA Net Zero Emissions by 2050	
■2ºC scenario (partial)	IEA Sustainable Development Scenario	RCP2.6
■4ºC scenario	IEA Stated Policies Scenario	RCP8.5

Scenario analysis was conducted with the following process.

(1) Visualization of the world in the future based on scenarios

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(2) Analysis of impact of climate change risks in business segments

↓

(3) Qualitative analysis of scenario and identification of key responses in business segments

↓

(4) Calculation of financial impact (quantitative scenario analysis)

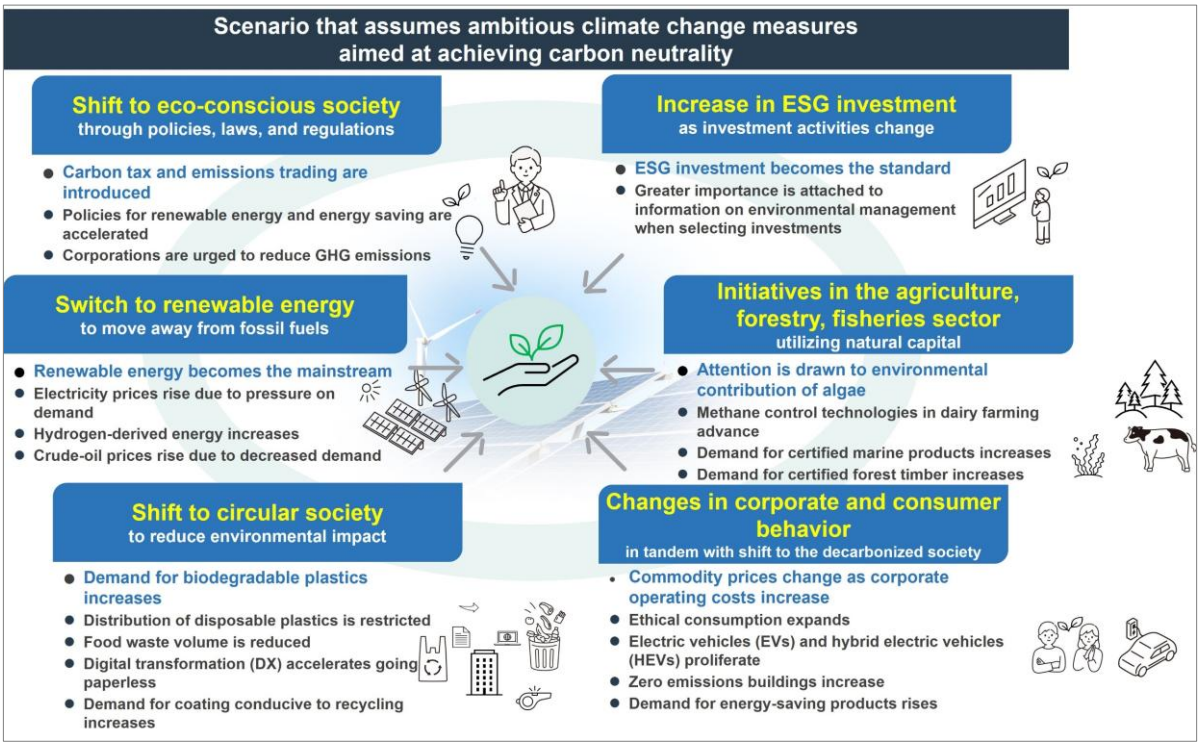
↓

(5) Results of scenario analysis (summary)

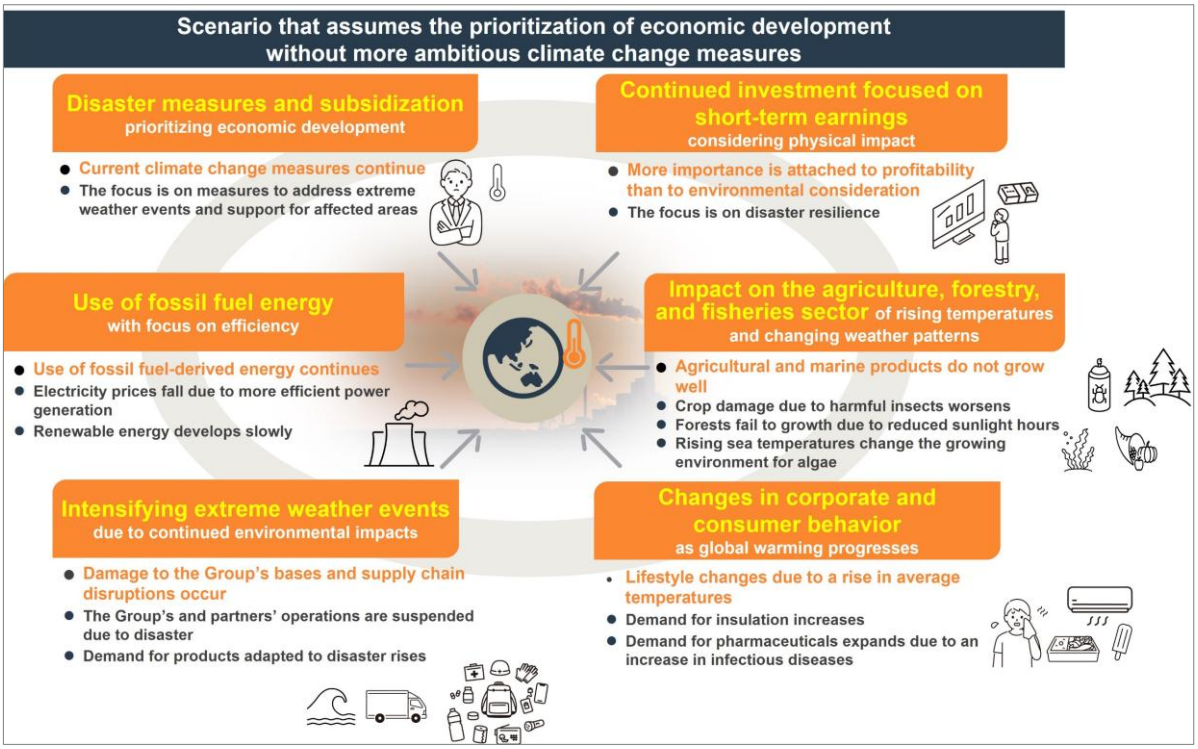
(1) Visualization of the world in the future based on scenarios

Before conducting qualitative and quantitative analysis, we visualized what the world might be like based on the above scenarios. The following sections describe future visions of society based on 1.5 ºC and 4 ºC senarios.

- **Future vision of society based on the 1.5ºC senario**



➢ **Future vision of society based on the 4℃ senario**



(2) Analysis of impact of climate change risks in business segments

Next, we determined the extent of the impact that climate-related risks would have in the 1.5℃ and 4℃ senarios on our four business segments (Information & Electronics, Chemicals, Life Industry, and Plastics). In the 1.5℃ senario, we mainly assessed the impact of transition risks. In the 4℃ senario, we mainly assessed the impact of physical risks.

Each segment differs not only in the products it handles, but also in terms of aspects such as the market where the products are sold and the supply chain. Therefore, we recognize that risks that will have an impact and the extent of said impact will differ depending on the segment, as indicated below.

◎: Significant impact ○: Impact
△: Minor impact ×: No direct impact expected

1.5°C

		Information & Electronics	Chemicals	Life Industry	Plastics
		Display components, semiconductor materials, internet of things (IoT) products, etc.	Functional chemicals, coating materials, construction materials, etc.	Pharmaceuticals, home products, agricultural products, processed marine products, etc.	Plastic compounds, film, sheets, etc.
Policies and regulations	Introduction of carbon pricing	○	○	○	○
	Plastics regulations	○	△	△	◎
	Recycling regulations	○	◎	○	◎
	Regulations on use of renewable energy	◎	○	△	○
	Energy-saving regulations	◎	△	△	△
Tech	Diffusion of renewable energy technologies	◎	△	×	×
	Diffusion of low-carbon technologies	◎	◎	△	○
Market	Change in energy costs	△	△	△	△
	Change in raw materials costs	○	○	○	◎
	Change in demand for important products	◎	○	○	◎
	Change in customer behavior	○	○	○	○
Reputation	Change in the Group's reputation among customers	○	○	○	○
	Change in the Group's reputation among investors	△	△	△	△

4°C

		Information & Electronics	Chemicals	Life Industry	Plastics
		Display components, semiconductor materials, IoT products, etc.	Functional chemicals, coating materials, construction materials, etc.	Pharmaceuticals, home products, agricultural products, processed marine products, etc.	Plastic compounds, film, sheets, etc.
Acute problem	Intensifying extreme weather events	○	○	○	◎
Chronic problems	Rise in average temperatures	△	○	◎	○
	Changes in rainfall and weather patterns	△	○	○	△
	Decline in biodiversity	×	×	○	×
	Poor growth of raw materials	×	○	○	×
	Changing ocean environment	×	×	○	△
	Proliferation of harmful insects	×	△	○	△
	Increase in infectious diseases	×	×	◎	△
Reputation	Change in the Group's reputation among customers	○	○	○	○
	Change in the Group's reputation among investors	△	△	△	△

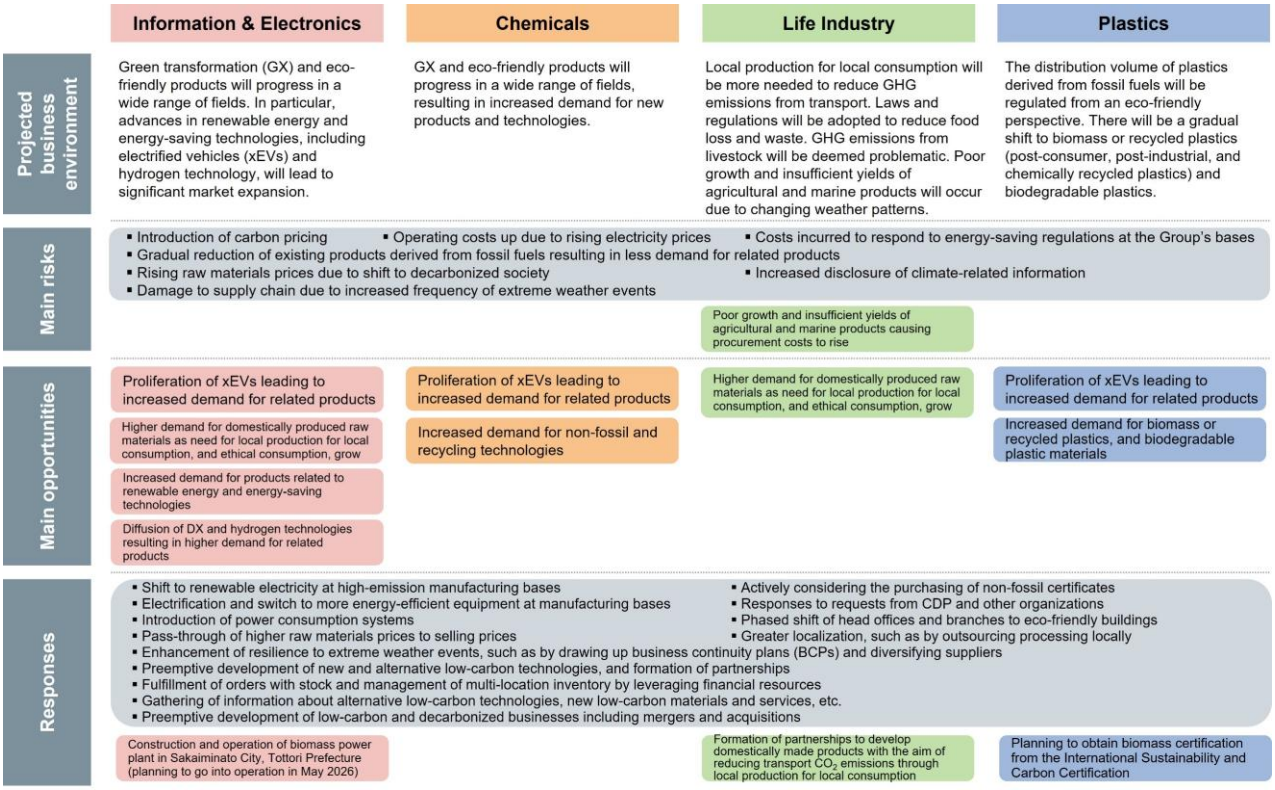
(3) Qualitative analysis of scenario and identification of key responses in business segments

We then conducted a qualitative scenario analysis for each business segment. We analyzed projected business environments, main risks, and main opportunities for the 1.5˚C and 4˚C scenarios based on the reference scenarios, the content of (1) and (2) above, and other factors. In addition, we also identified key responses to address risks and seize opportunities going forward.

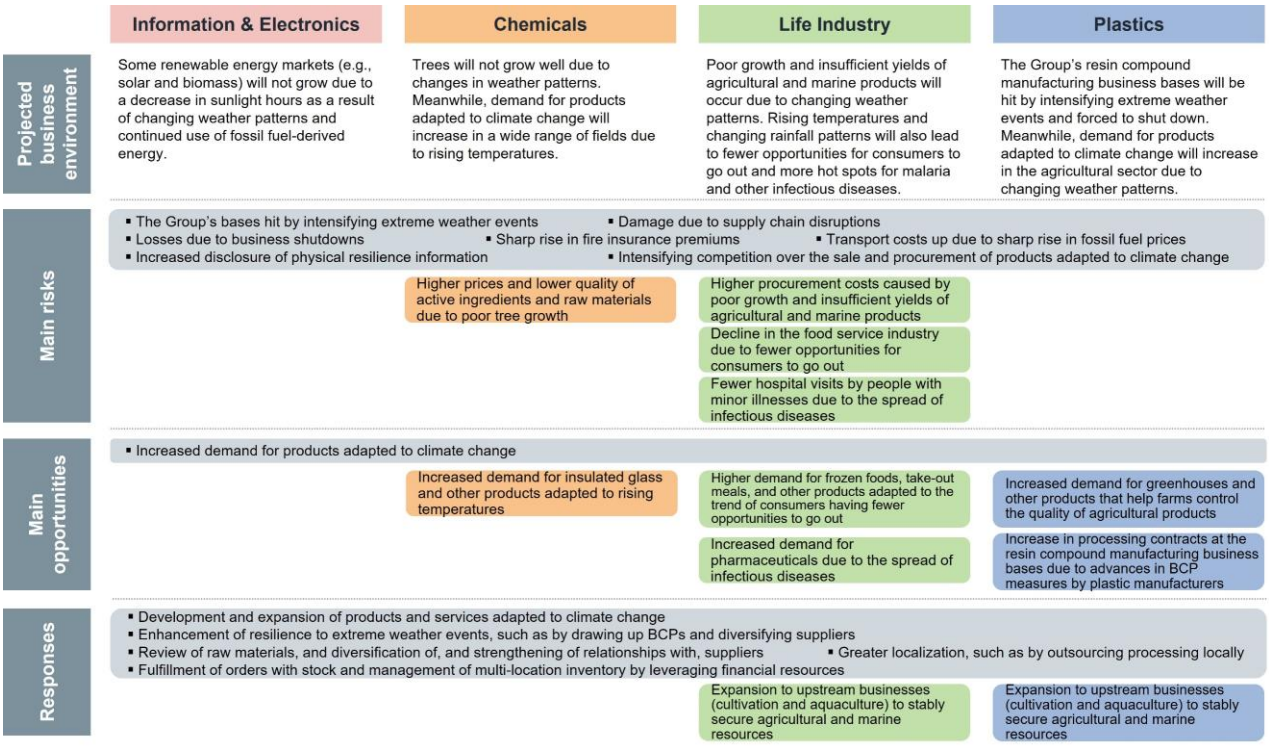
Although trading is the core function of the four segments of Information & Electronics, Chemicals, Life

Industry, and Plastics, they operate under different business models combining auxillary functions in line with customer needs. Their markets and supply chains differ as well. Therefore, the segments have both common risks and opportunities as well as unique risks and opportunities they do not share.

- **1.5ºC scenario**



- **4ºC scenario**

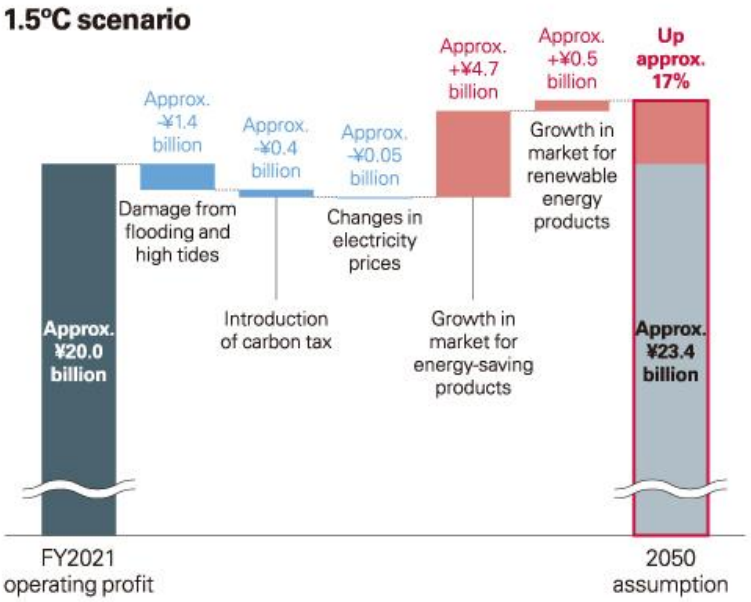


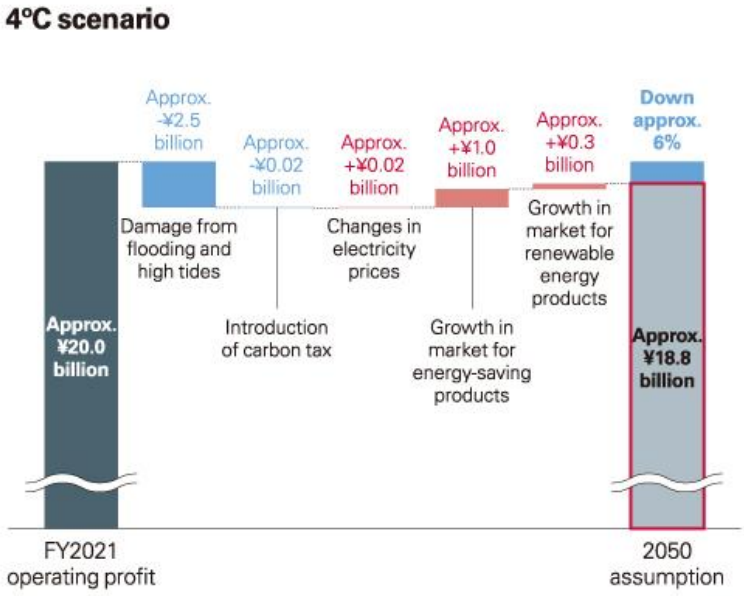
(4) Calculation of financial impact (quantitative scenario analysis)

In addition to qualitative analysis, we also conducted quantitative analysis.

We selected the calculable risks and opportunities from the content considered in (1) to (3), and collected the Inabata Group's performance figures and information about the forecasted future (parameters) from external organizations for the calculation. We then calculated the financial impact of the risks and opportunities based on both the 1.5˚C and 4˚C scenarios.

Note that these financial impact estimates were obtained by narrowing down the scope of the analysis and establishing hypothetical situations based on the limited information and data available at this point in time.





Formula for the estimates	
■Physical damage from flooding and high tides	Estimates of disaster damage at each Group base by reference to *Manual for Economic Evaluation of Flood Control Investment* by the Ministry of Land, Infrastructure, Transport, and Tourism. Damage information (rates of damage and number of days of business stoppage) for each base specified using hazard maps.
■Carbon tax	Estimates based on GHG emissions by the Inabata Group and future CO_2 prices. *1 (*1. Refer to values under the Net Zero Emissions by 2050 Scenario in the IEA's *World Energy Outlook 2021*)
■Electricity prices	Estimates based on power consumption by the Inabata Group and future electricity prices. *2 (*2. Refer to values under the Stated Policies and Sustainable Development Scenarios in the IEA's *World Energy Outlook 2019*)
■Diffusion of renewable energy and energy-saving products	Estimates based on projections of the Group's related product sales as well as of future electrical capacity and market size for clean energy technologies. *3 (*3. Refer to Stated Policies, Sustainable Development, and Net Zero Emissions by 2050 Scenarios in the IEA's *World Energy Outlook 2021*)

(5) Results of scenario analysis (summary)

The results of analyses (1) to (4) are summarized below.

Regarding the 4ºC scenario, whereas the Group's bases in Japan and overseas are assumed to suffer damage due to intensifying extreme weather events, the risk is not estimated to be so great as to significantly impact business operations. In terms of opportunities, demand for products adapted to rising temperatures and changing weather patterns is expected to increase. This has made us recognize anew the potential to contribute to society by helping society as a whole adapt to global warming while maintaining the Group's resilience.

Regarding the 1.5ºC scenario, we identified the increase in operating costs due to the introduction of carbon pricing and steep rises in the price of electricity as a risk. However, the risk is projected to be more than offset by gaining revenue opportunities from future growth in technologies and products that contribute to low-carbon economy and reduced environmental impact. We have reaffirmed that the growth strategy of expanding our environment-related business set out in the New Challenge 2026 medium-term management plan and the strategy to contribute to the global environment through business specified in the Sustainability Medium-term Plan 2026 will have a great impact on our growth in the decarbonized society of the future.

In regard to our environment-related business, we positioned its expansion as a companywide growth strategy in the New Challenge 2026 medium-term management plan and set a target of achieving net sales of 100 billion yen for environment-related business by FY2026 in the Sustainability Medium-term Plan 2026, which was released at the same time as the medium-term management plan. Efforts to achieve these goals are being driven across all segments.

Regarding the totalization of net sales, we have calculated and reported net sales over time as follows.

■Environment-related business fields and net sales

Field	Main items	Net sales			
		FY03/2022	FY03/2023	FY03/2024	FY03/2025
Energy & Power	Renewable energy- and battery-related items	¥13.5 billion	¥17.5 billion	¥24.4 billion	¥22.5 billion
Resources & Environment	Sustainable raw materials, recycling, and water-related items	¥4.2 billion	¥7.5 billion	¥10.7 billion	¥13.8 billion
Materials & Chemicals	Low-carbon materials and environmental pollutant reduction	¥0.7 billion	¥1.5 billion	¥3.1 billion	¥6.6 billion
Agriculture & Food	Food waste reduction and soil improvement	–	–	–	–
Transportation & Logistics	EV charging and green logistics	–	–	–	–
Environmental certification	Forestry certifications and marine product certifications	¥0.3 billion	¥0.3 billion	¥0.1 billion	¥0.5 billion
Total (simple sum)		¥18.7 billion	¥26.9 billion	¥38.6 billion	¥43.5 billion

*The above figures have been rounded off to the first decimal place, so individual figures and totals may not match.

*Scope: Inabata Group (domestic and overseas consolidated companies).

*No sales for the Agriculture & Food and Transportation & Logistics fields.

5. Risk Management

At the Inabata Group, climate-related risks and opportunities are managed by the Sustainability Committee, as we believe that traditional risk management methods alone are insufficient to manage long-term impacts that include elements of uncertainty. The committee differentiates and assesses risks and opportunities identified and examined from both qualitative and quantitative perspectives based on scenario analysis, and translates them into indicators and targets in the medium-term plan. The committee manages said risks and opportunities by monitoring the progress on the targets. All directors participate in the committee, thereby serving as the Board of Directors' oversight function through the committee. The committee itself reports to and is overseen by the Board of Directors as necessary.

The risks and opportunities for individual material issues and main initiatives to address them are reaffirmed in the Sustainability Medium-term Plan 2026 and the indicators and targets have been reflected in the plan. For details, see the Sustainability Medium-term Plan 2026 on the Inabata Group website below.

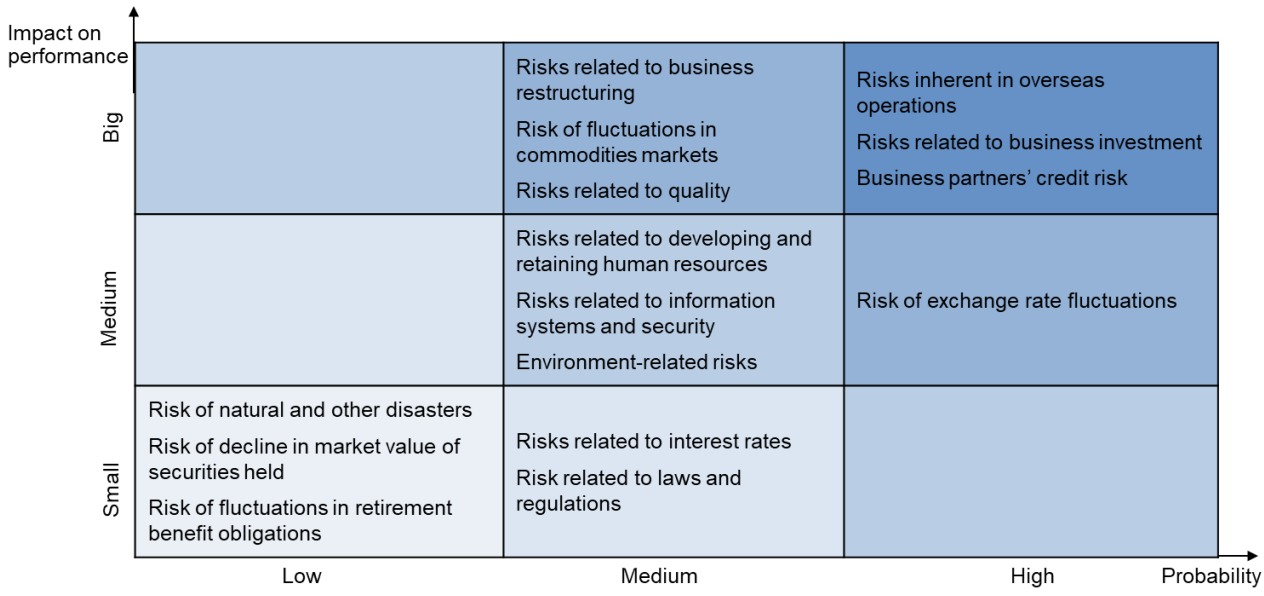
https://www.inabata.co.jp/archives/002/202406/20240605_SustainabilityMedium-termPlan2026.pdf

In order to prevent the diverse risks that could affect the entire Inabata Group from happening and address such risks when they do happen, relevant units such as the Risk Management Office and the Financial Management Office apply their individual expertise to continuously differentiate, assess, and manage risks related to business partners, products, import and export, financial management, compliance, and so forth. Furthermore, relevant committees and forums such as the Compliance Committee collaborate with each other to form a management system capable of properly addressing risks. Important matters are reported to and overseen by the Board of Directors as necessary. Risks and opportunities regarding sustainability—including climate change—are differentiated, assessed, and managed by the Sustainability Committee as described above, and reported to the Board of Directors when deemed necessary.

The Board of Directors oversees Group-wide risks of high importance in an integrated manner, taking into account risks and opportunities regarding sustainability reported by the Sustainability Committee as well as other risks reported by other relevant committees and units.

In addition, each risk is assessed from the dual perspectives of assumed impact on performance and probability, as part of the annual Board of Directors effectiveness evaluation.

■Main risks as assessed in the FY03/2025 Board of Directors effectiveness evaluation



In June 2022, we identified materiality (material issues) for the sustainable growth of the Inabata Group. Issues are identified by assessing their importance based on risks and opportunities. Contributing to a decarbonized and circular society has also been identified as an important material issue.

■**The Process of Identifying Materiality**

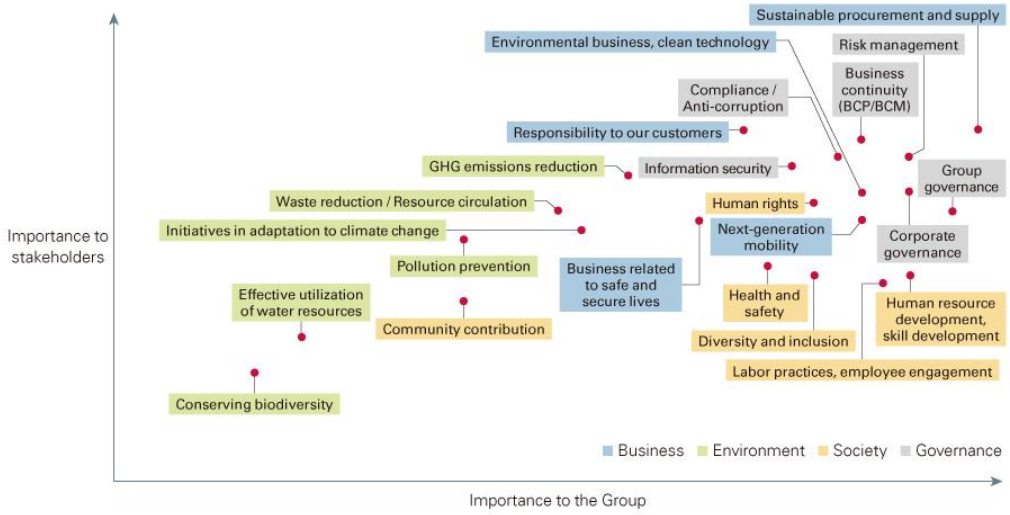
STEP1 List social issues

Refer to international guidelines (e.g., Global Reporting Initiative standards, Sustainability Accounting Standards Board standards, United Nations Sustainable Development Goals, ISO 26000, and United Nations Global Compact's Ten Principles).
Refer to external evaluations and requests (e.g., environmental, social, and governance surveys by FTSE Russel and MSCI, and investor requests).

STEP2 Extract issues and evaluate importance

The Sustainability Committee Secretariat and Sustainability Promotion members narrowed down 23 issues from the four fields of business, environment, society, and governance, and evaluated them according to the two criteria of importance to the Group and importance to stakeholders. Based on the results, issues were consolidated, descriptions were reviewed, and tentative material issues were identified. The Sustainability Committee deliberated on tentatively identified material issues.

Results of importance evaluation (materiality map)



STEP3 Verify validity from an external perspective

Stakeholder dialogues were held with external experts who have a broad knowledge of sustainability, the director in charge of sustainability (Director, Senior Managing Executive Officer), and the Sustainability Committee Secretariat.

STEP4 Decide at the management level

Discuss candidate issues selected based on external opinions and make the final decision at a Sustainability Committee meeting.

■**Inabata Group Materiality**

■**Materiality: Risks, Opportunities, and Main Initiatives (Excerpt detailing matters related to climate change)**

Creating Sustainable Value	Contributing to a decarbonized and circular society; sustainable use of natural capital

Risks and Opportunities	Main Initiatives	Response	
		Risks	Opportunities
Risks ● Rising costs associated with stricter policies, laws, and regulations for climate change ● Lower earnings associated with stricter policies, laws, and regulations and lower consumer demand for petroleum-based plastics ● Lower earnings associated with changes in production areas, yield, quality, etc. of agricultural and marine products due to climate change ● Reputational decline and exclusion from supply chains due to inadequate disclosure of climate change impacts and natural capital use ● Damage to Company bases and supply chain disruptions due to intensifying extreme weather events ● Reputational decline due to greenwashing	Promote activities to reduce GHG emissions toward carbon neutrality	◎	◎
	Introduce renewable energy	◎	◎
	Disclose information appropriately in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and other rules	○	○
	Expand sales from the environment-related		◎

	businesses (e.g., clean technology)		
Opportunities ● Growing demand for renewable energy and batteries ● Growing demand for products adapted to changing corporate and consumer behavior associated with global warming ● Growing demand for biomass, recycled, and biodegradable plastics and the like ● Growing demand for sustainable agricultural and marine products ● Higher corporate evaluation owing to the consistent promotion of environmental activities and appropriate information disclosure	Acquire sustainability certifications		○
	Formulate, revise, and operate business continuity plans (BCPs)	○	○
	Diversify suppliers and outsourcing partners, and decentralize inventories	◎	◎

Note: The symbols in the Response column indicate the importance of the initiatives (◎ > ○).

Other risks and opportunities and main initiatives related to materiality are available on our website.
(https://www.inabata.co.jp/archives/002/202406/20240605_SustainabilityMedium-termPlan2026.pdf)

6. Metrics and Targets

In June 2022, the Inabata Group set the long-term target of achieving carbon neutrality by FY2050 (covering Scope 1 and 2 emissions of the consolidated Group) in order to commit to achieving the global goal of limiting the increase in temperatures to 1.5ºC as stated in the Paris Agreement.

Climate change is one of the most pressing issues facing global society. There are calls for climate action worldwide, and moves towards decarbonization are accelerating in Japan and abroad. The Inabata Group's Carbon Neutrality Declaration 2050 responds to global calls for climate action and declares that the Group will further accelerate climate change measures.

We then established the medium-term target of reducing GHG emissions by 25% compared to FY2022 levels by FY2026 and 42% by FY2030 in the Sustainability Medium-term Plan 2026 released May 2024. This target was set in compliance with the 1.5˚C goal stated in the Paris Agreement.

Going forward, in addition to reducing power consumption through efforts such as converting lights to LED, installing and switching to energy-efficient air conditioners and other equipment, and improving work efficiency, we will implement renewable energy by utilizing renewable energy certificates and other measures. In FY2024, we switched all electricity used by Inabata & Co., Ltd. and its domestic consolidated subsidiaries to renewable energy through purchases of nonfossil certificates, and expect to see solid reductions. We plan to disclose FY2024 results in or around the summer of 2025.

Since FY2021, we have calculated Scope 3 emissions in order to understand emissions for our entire supply chain. Currently this applies only to the parent company, but we will expand the scope of calculations in the future.

■GHG emissions reduction targets

Long-term target	FY2050	Achieve carbon neutrality by FY2050
Medium-term target	FY2030	Reduce by 42% compared to FY2022
	FY2026	Reduce by 25% compared to FY2022

■Inabata supply chain emissions (FY03/2024)

Scope	GHG emissions [t-CO_2e]	
	FY2022 Base year	FY2023
Scope1	2,755	3,572
Scope2 (Market baseline)	43,666	41,254
Scope3	1,960,235	1,919,364
Scope1,2,3 total	2,006,656	1,964,190

Scope 3 breakdown by category			GHG emissions [t-CO_2e]	
			FY2022	FY2023
Upstream	Category 1	Purchased goods and services	1,435,020	1,416,876
	Category 2	Capital goods	2,984	1,943
	Category 3	Fuel-and energy-related activities not included in Scope 1 or 2	71	44
	Category 4	Upstream transportation and distribution	55,189	32,679
	Category 5	Waste generated in operations	53	67
	Category 6	Business travel	2,377	2,723
	Category 7	Employee commuting	234	256
	Category 8	Upstream leased assets	Not applicable since the category is included in Scopes 1 and 2.	
	Subtotal (upstream)		1,495,928	1,454,588
Downstream	Category 9	Downstream transportation and distribution	Excluded from calculations since it is difficult to ascertain actual conditions and make reasonable estimates for the wide variety of products sold and of transportation destinations.	

	Category 10	Processing of sold products	Excluded from calculations since it is difficult to ascertain actual conditions and make reasonable estimates for the wide variety of products sold and of transportation destinations.	
	Category 11	Use of sold products	Not applicable since there are no activities in this category.	
	Category 12	End-of-life treatment of sold products	464,242	464,711
	Category 13	Downstream leased assets	64	65
	Category 14	Franchises	Not applicable since there are no activities in this category.	
	Category 15	Investments	Not applicable since there are no activities in this category.	
	Subtotal (downstream)		464,306	464,776
Total (upstream + downstream)			1,960,235	1,919,364

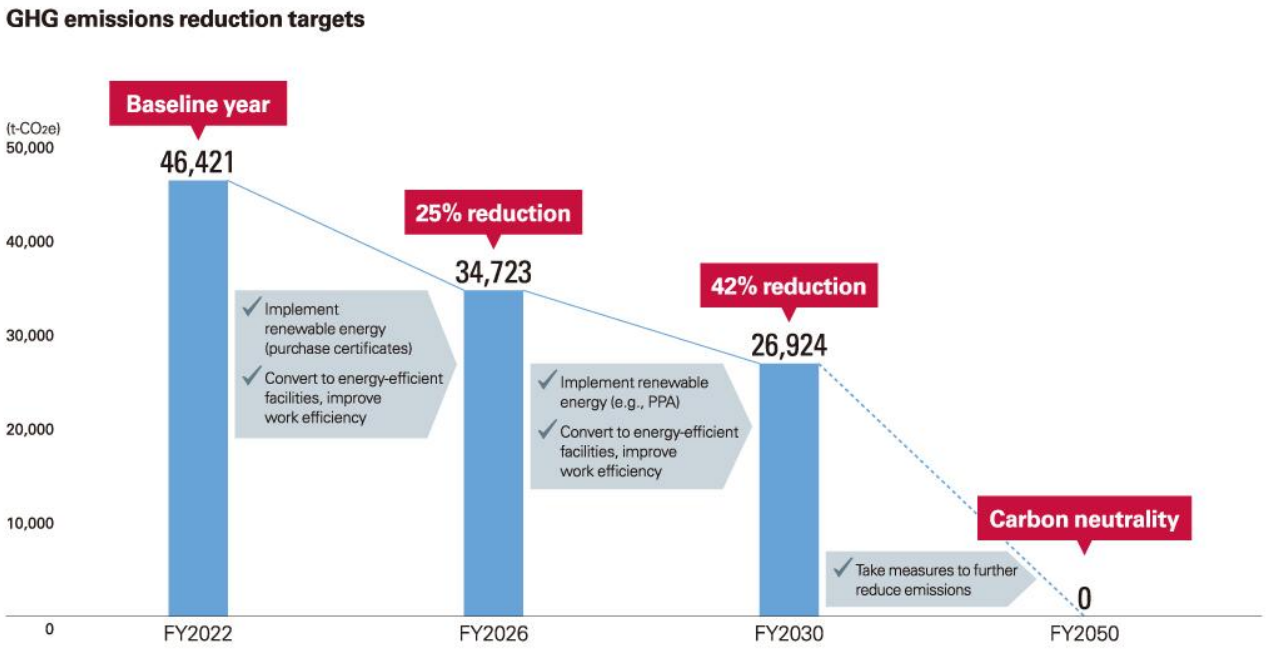
Scope of calculations

Scopes 1 and 2: Inabata & Co., Ltd. and domestic and overseas consolidated subsidiaries

Scope 3: Inabata & Co., Ltd.

*Please consult this page for past performance data.(Japanese only)

* FY2024 performance figures are scheduled to be disclosed in the summer of 2025.



In addition, in our business activities we are focusing efforts on providing a wide range of products and solutions that contribute to building a decarbonized society. We have set a target of achieving net sales of 100 billion yen for our environment-related business by FY2026 in the Sustainability Medium-term Plan 2026. The expected

percentage of sales for each environment-related business field in the final year of the plan is as follows.

- ■ Energy & Power (e.g., renewable energy- and battery-related items): Approx. 70%
- ■ Resources & Environment (e.g., sustainable raw materials, recycling, and water-related items): Approx. 20%
- ■ Materials & Chemicals, Agriculture & Food, Transportation & Logistics, Environmental Certification: Approx. 10%

See Strategy (5) Results of scenario analysis (summary) for net sales of our environment-related business from FY2021 to FY2024.