









Strategy

To consider the impact of climate change on business, scenario analysis was conducted, taking into account climate-related scenarios released by external organizations such as the International Energy Association (IEA) and the Intergovernmental Panel on Climate Change (IPCC). Additional obligations and costs may be incurred with the possibility of stricter environmental laws and regulations if there is a global shift toward a low-carbon society in aiming to meet the Paris Agreement. The analysis makes evaluations based on quantitative and qualitative aspects of the impact of climate change as of 2030 as stipulated in Komori Eco Vision. Risks and opportunities as well as their financial impact have been identified, and a process is underway in considering the directionality, policy, and strategy to address them. Results of analysis and status of initiatives are as follows:

Results of Analysis Pertaining Risks and Opportunities Based on Climate Change Scenarios

Segment	Factors and events			Evaluation				Status of Komori initiatives  ● Response to risk   ○ Response to opportunity   ● Response to risk/ opportunity
				4°C scenario		1.5°C scenario		
				Risks	Opportunities	Risks	Opportunities	
Impact from transitioning to a decarbonized society	Carbon pricing		Increase in business costs such as the start of carbon tax	Low	Low	High	Low	<ul style="list-style-type: none"><li>● Setting reduction targets for Scopes 1 and 2 and taking action ⇒ Changed calculation to Scope 2 market-based method</li><li>● Initiatives to achieve carbon neutrality by 2050</li></ul>
	Energy-saving and renewable energy measures		Response to measures related to energy-saving and renewable energy	Low	Low	High	High	<ul style="list-style-type: none"><li>● Installation of solar panels ⇒ MBO plant in Portugal installed solar panels for 590kW</li><li>● Introduction of electricity sourced from renewable energy</li><li>○ Promote energy-saving performance during product development ⇒ Developed technology that reduces the operating power of the main model of the LITHRONE G40 advance Series by approximately 18% compared to conventional methods</li></ul>
	Changes in energy costs		Increase in electricity price due in part to switch to power-generating method sourced from renewable energy	Low	Low	Medium	Low	<ul style="list-style-type: none"><li>● Switch to energy-saving air conditioning and lighting equipment during product manufacturing ⇒ Changed lighting at Tsukuba Plant and headquarters to LED</li><li>○ Development of products at high energy-saving performance ⇒ Developed elemental technology to improve the energy-saving performance of ink supply and sheet transfer equipment</li></ul>
	Progress in next-generation technology		Changes in demand for printing presses due to digital transformation	Medium	Medium	High to Medium	High to Medium	<ul style="list-style-type: none"><li>● Downsizing due to improved product manufacturing capabilities</li><li>● Transition to printing presses and digital printing systems with high environmental performance</li><li>○ Development of products in the field of printed electronics with low environmental impac</li></ul>
	Changes in raw material costs		Rise in prices of casting and steel materials due to changes in iron smelting methods	Low	Low	Medium	Low	<ul style="list-style-type: none"><li>● Examination and consideration into substitution of parts through dialogue with suppliers</li></ul>
	Reputational risks		Impact from status of initiatives pertaining climate change on corporate evaluation	Low	Low	Medium	Low	<ul style="list-style-type: none"><li>● Appropriate information disclosure and communication with stakeholders ⇒ Disclosed information through Integrated Report and other means, and engaged in dialogue with investors</li></ul>
Physical impact from climate change	Intensifying extreme weather		Damage to Komori locations and the supply chain due to weather disasters	High	Low	Medium	Low	<ul style="list-style-type: none"><li>● Relocations and measures for offices exposed to hazards and risks</li><li>● Strengthening of BCP measures ⇒ Added risks related to head office functions and production sites to the risk management items of the Risk Management Committee</li></ul>
	Rise in average temperatures		Increase in business costs due to the use of air conditioning equipment caused by rising temperatures	High	Low	Medium	Low	<ul style="list-style-type: none"><li>● Installation of air conditioning equipment with high energy-saving performance ⇒ Upgraded air conditioning equipment at the Tsukuba Plant to reduce CO2 emissions by 48 tons per year</li></ul>

[Evaluation Indicators]

- Quantitative evaluations have been performed with the following criteria on items that (potentially) impacted operating income performance in the fiscal year ended March 31, 2022:  
⇒ High: 5% or more, Medium: More than 1% - under 5%, Low: Under 1%
- Impact on which quantitative evaluations are not performed is evaluated based on qualitative study, and qualitative evaluation is indicated with gray coloring.