

## Disclosure of Information in Accordance with TCFD Recommendations

The concerns regarding the impact of climate change caused by global warming on social and corporate activities are growing steadily, and there is clearly a need to take appropriate measures in response to the risks posed by climate change. Based on the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD), the Kyokuyo Group has been analyzing the risks and opportunities that climate change will bring for our business activities, and considering strategies that can be implemented in response.

<The operational flow from identifying risks and opportunities to formulating strategies in response>

- (1) Identifying the risks and opportunities associated with climate change
- (2) Evaluating the potential impact of the risks and opportunities that have been identified, based on future global temperature increase scenarios
- (3) Formulating strategies in response to those risks and opportunities that are assessed as being likely to have a particularly strong impact

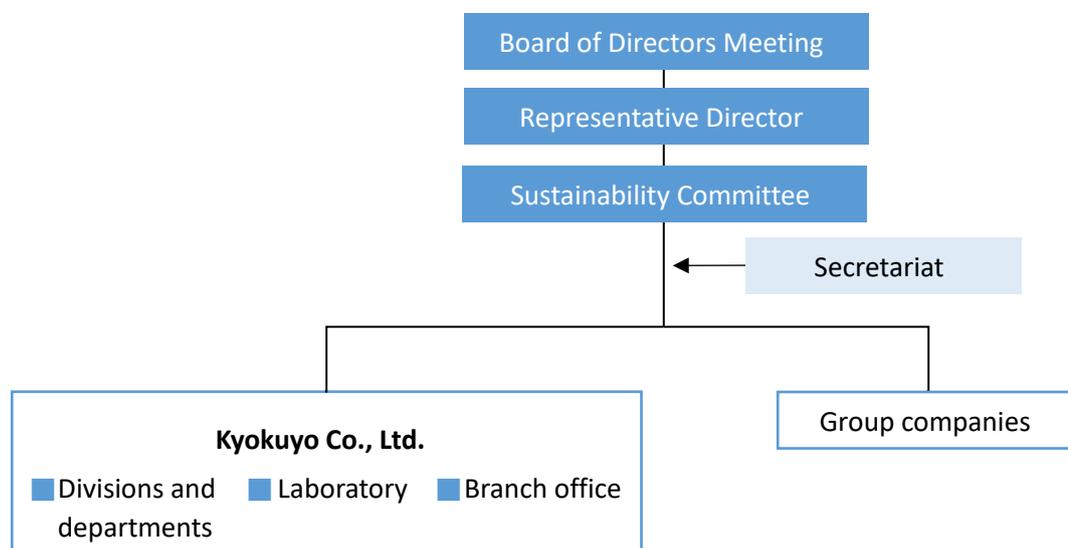
### 1. Governance

We recognize climate change as an important management issue as it may have a variety of impact on the Group's business and on society, such as changing the marine environment (which is the foundation of the Group's business) and causing abnormal weather. With the Sustainability Committee playing a key role, we are implementing companywide initiatives to address social issues, including the issue of climate change.

Chaired by the company's President and Representative Director, the Sustainability Committee meets at least once a year. With members that include Directors, the heads of each division, department, and branch office, and the presidents of affiliated companies, the Committee deliberates on and makes decisions relating to our response to societal issues such as climate change, and reports to the Board of Directors regarding important matters and the progress made in related initiatives.

We expressed our support for the "Recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)" in May 2022. In line with the recommendations, we will work to reduce the impact of climate change on our business and on society, and promote the disclosure of climate change-related information.

#### Sustainability Organization Structure



## 2. Risk Management

The Sustainability Committee identify and evaluate major risks, based on the potential size of the impact and the likelihood/frequency of occurrence, and we formulate response strategies to prevent, avoid, mitigate, and minimize risks, as well as monitor the progress made in implementing these strategies. The results of monitoring are reported to the Board of Directors, which oversees risk management.

### Risk Management Process



### 3. Strategies

Anticipating various events that may occur in the future, Kyokuyo is considering countermeasures in line with TCFD recommendations. We identified climate-related risks in the value chain of the Kyokuyo Group and identified key impacts using the impact on businesses affected by climate change and the likelihood/frequency of their occurrence as evaluation criteria. The scope of analysis was our overall business operations, and we referred to multiple scenarios from the International Energy Agency (IEA) and the United Nations Intergovernmental Panel on Climate Change (IPCC) to examine the timing and degree of impact, and measures to address risks and opportunities (mitigation and adaptation measures), on the premise of temperature increases of 1.5°C and 4°C. We will periodically review the measures to address risks and opportunities.

#### 3.1 1.5°C Increase (Analysis timeframe: 2050)

Under a scenario in which the increase in average global temperature by the end of the 21st century compared to the situation prior to the Industrial Revolution is kept significantly lower than 2°C, we assumed that transition risks, such as the introduction of carbon pricing and other enhanced climate change measures toward a decarbonized society, would result in higher raw material container costs and energy costs.

#### Risk and opportunity response measures, based on scenario analysis

Risk Category		Impact	Timing of Impact* <sup>1</sup>	Extent of Impact* <sup>2</sup>	Opportunities	Key response strategies	
Transition risks* <sup>3</sup>	Policies/regulations	Strengthening of countries' regulations aimed at reducing greenhouse gas emissions	• Tightening of regulation, including the adoption of carbon pricing and/or the raising of carbon taxes • Increased compliance costs resulting from the tightening of regulation	Medium-term	Large	<ul style="list-style-type: none"> <li>Reducing the burden associated with the management of machinery that uses CFCs</li> <li>Reduced costs resulting from changes in packaging specifications</li> </ul>	<ul style="list-style-type: none"> <li>Switching over to renewable energy</li> <li>Switching over to energy-saving machinery and equipment that uses natural refrigerants</li> <li>Reducing the amount of plastic used in packaging</li> </ul>
		Strengthening of regulations governing fishing catches	• Reduction in the quantities of fish and shellfish caught or processed	Medium-term	Moderate	<ul style="list-style-type: none"> <li>Increased demand for farmed fish</li> </ul>	<ul style="list-style-type: none"> <li>Using farmed fish as substitute products</li> </ul>
	Reputation	Changes in investors' judgments and actions	• Weakening of the company's brand and image, with criticism on social media, etc.	Medium-term	Moderate	<ul style="list-style-type: none"> <li>Enhancing the company's social value through promotion of sustainability- focused management</li> <li>Differentiating the company from its competitors by developing eco-friendly and ethical products</li> </ul>	<ul style="list-style-type: none"> <li>Proactive disclosure of climate change response data</li> <li>Development of environmentally friendly products and increased use of certified products</li> </ul>
		Changes in consumer behavior	• Increased demand for environmentally-friendly products	Medium-term	Large	<ul style="list-style-type: none"> <li>Increased demand for eco-friendly and ethical products</li> </ul>	<ul style="list-style-type: none"> <li>Development of environmentally friendly products and increased use of certified products</li> </ul>

\*1 Timing of impact was divided into short-term (within 2 years), medium-term (3-5 years) and long-term (6-20 years).

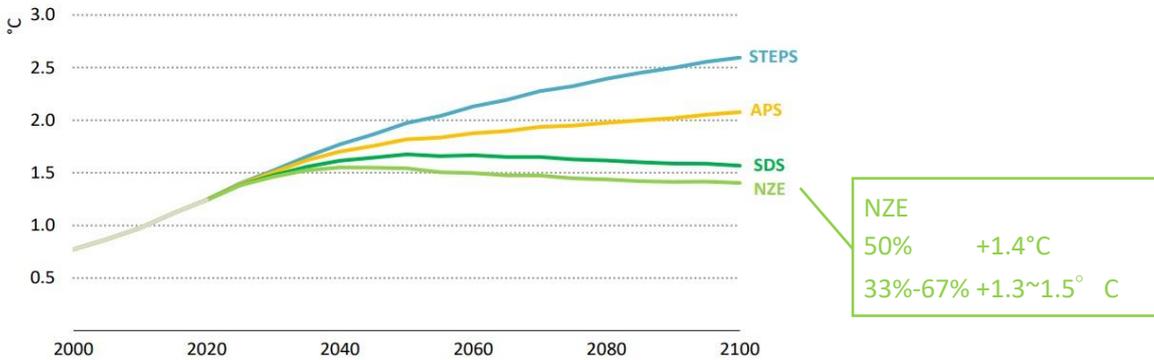
\*2 The evaluation criteria for the extent of impact was set as large (assumed that the impact on businesses as well as the likelihood and frequency of occurrence is large), moderate, and small.

\*3 Risks arising from the transition to the decarbonized society

**Reference scenarios**

- International Energy Agency (IEA) “NZE (Net-Zero Emission by 2050 Scenario)”
- Intergovernmental Panel on Climate Change (IPCC) “SSP1-1.9 (Shared Socio-economic Pathways)”

**Global median surface temperature rise over time in the WEO-2021 scenarios**



Source: IEA “World Energy Outlook 2021”

**3.2 4°C Increase (Analysis timeframe: 2050)**

We assumed that under a scenario in which decarbonization efforts are inadequate, with a continuing high level of dependency on fossil fuels, and average global temperatures increase by at least 4° C, the physical risks of climate change, such as more severe extreme weather events, will cause damage to our facilities and a decrease in catches.

**Risk and opportunity response measures, based on scenario analysis**

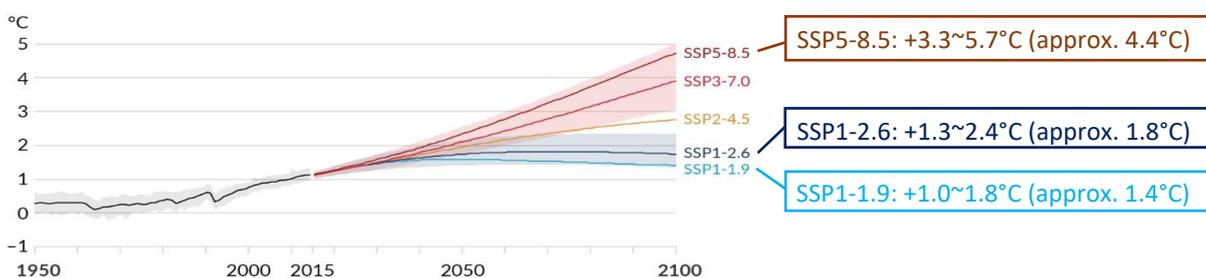
Risk Category		Impact	Timing of Impact	Extent of Impact	Opportunities	Key response strategies	
Physical risks *4	Chronic	Changes in the ocean environment (rising sea temperatures, and rising sea levels)	• Increased procurement risk resulting from changes in the types of fish caught and reduction in catch	Long-term	Large	• Marine product production that is not dependent on the sea (inland aquaculture)	• Development of products that use alternative protein sources
	Acute	Abnormal weather (Changes in rainfall and weather patterns)	• Obstacles to raw materials procurement and product supply caused by logistics disruptions • Increased damage to aquaculture facilities and plant and cold storage buildings	Medium-term	Large	• Increased demand for products with long storage life	• Risk-hedging through dispersal and adjustment of logistics hubs • Strengthening the disaster resilience of aquaculture facilities, plants, and cold storage facilities

\*4 Risks relating to natural disasters, etc., caused by climate change

**Reference scenario**

- IPCC “SSP5-8.5 (Shared Socio-economic Pathways)”

**Global surface temperature change relative to 1850-1900**



Source: IPCC “The Sixth Assessment Report (AR6)”

## 4. Indicators and Targets

In our “Gear Up Kyokuyo 2027” Medium-Term Business Plan, the Kyokuyo Group has announced that, based on our sustainability-aware management, we will be proceeding with proactive measures to help solve society’s problems through our business activities, for example by contributing toward the realization of carbon neutrality. In line with this policy, we are working on the reduction of greenhouse gas emissions and plastic usage in packaging.

### 4.1 Reduction of Greenhouse Gas Emissions

In addition to reducing greenhouse gas emissions (Scope 1 and Scope 2<sup>\*5</sup>) through efficient energy use, etc., daily inspections and management are conducted as a measure to prevent CFC leakage.

We have not set an indicator or target for greenhouse gas emissions generated from raw materials purchased or services used by the Group (Scope 3<sup>\*5</sup>), but we calculate CO<sub>2</sub> emissions regarding category 1 “purchased goods and services” and category 4 “upstream transportation and distribution”<sup>\*6</sup> of the 15 categories.

Going forward, we will sequentially assess other categories where calculation is feasible and explore reduction methods.

<sup>\*5</sup> Scope 1: Greenhouse gases emitted directly by the company itself (through the burning of fuel, and emissions from industrial processes)

Scope 2: Indirect emissions associated with electric power, heat, steam, etc., supplied by other companies (including electricity purchased from power companies, etc.)

Scope 3: Indirect emissions other than Scope 1 and Scope 2 emissions (emissions from other companies that are related to business activities)

<sup>\*6</sup> From this revision, we have included emissions from imports in addition to domestic transportation, calculating them under Category 4.

### Greenhouse Gas Emissions for FY2023

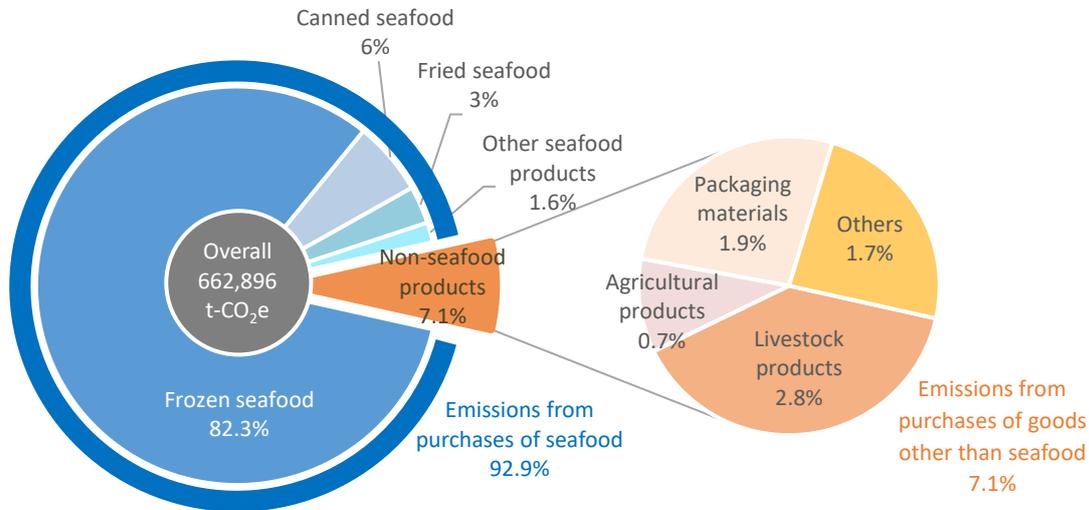
	Unit	Scope of Aggregation	Emissions
Scope 1	t-CO <sub>2</sub>	Food plants, Laboratory, Cold storage, Offices <sup>*7</sup>	4,470
Scope 2			16,841
Scope 3 Category 1	t-CO <sub>2</sub> e	Non-consolidated	662,896
Scope 3 Category 4	t-CO <sub>2</sub>	Non-consolidated	56,338

<sup>\*7</sup> Scope

Site	Included in aggregation
Food plants	Shiogama Plant, Hachinohe Plant, and Hitachinaka Plant of Kyokuyo Shokuhin Co., Ltd.; Oigawa Plant and Souemon Plant of Kyokuyo Suisan Co., Ltd.; Kyokuyo Foods Co., Ltd.; Kyokuyo Fresh Co., Ltd.; Kaiyo Foods Co., Ltd.; Ibusuki Shokuhin Co., Ltd.; Apex Kyokuyo Co., Ltd.; and Jokki Co., Ltd.
Laboratory	Kyokuyo Research and Development Division Laboratory
Cold storage	Jonanjima cold storage, Tokyo cold storage, and Fukuoka cold storage of Kyokuyo Akitsu Reizo Co., Ltd.; and Cold Storage Section of Kyokuyo Suisan Co., Ltd.
Offices	Headquarters and branch offices of Kyokuyo Co., Ltd.; Kyokuyo Sougou Service Co., Ltd.; Kyokuyo Shoji Co., Ltd.; Integrate System Service Co., Ltd.

For Scope 3 Category 1, which has the highest emissions among the categories currently being calculated, we have organized the breakdown of emissions by the type of purchased goods.

### Scope 3 Category 1 - Breakdown of Emissions



Below are the indicators and response measures set to mitigate, evaluate, and manage risks related to climate change.

Target	Scope	Indicators	Response measures
CO <sub>2</sub> emissions reduction (Scope 1 + 2)	Food plants, Cold storage*7	FY2024: Reducing emissions by at least 1% per year compared to the actual performance in FY2023 (on an intensity basis)	<ul style="list-style-type: none"> <li>• Activities, such as inspections, to reduce resource consumption in day-to-day business activities</li> <li>• Adoption of energy-saving machinery when replacing existing equipment</li> <li>• Installation of solar panels</li> <li>• Utilization of hybrid vehicles and electric vehicles</li> </ul>
		FY2025: Reducing emissions by at least 2% per year compared to the actual performance in FY2024 (on an intensity basis)	
		FY2026: Reducing emissions by approximately 5% compared to the actual performance in FY2023 (on an intensity basis)	

#### 4.2 Reduction of Plastic Usage

Plastics contribute to climate change throughout their lifecycle due to CO<sub>2</sub> emissions from the use of energy in the process of mining and transporting petroleum as raw material, refining, and production, as well as CO<sub>2</sub> emissions during incineration. With this in mind, we are working to reduce the amount of plastic used for product packaging at our factories.

Below are the indicators and response measures set to mitigate, evaluate, and manage risks related to climate change.

Target	Scope	Indicators	Response measures
Reducing the amount of plastic used in packaging	Food plants	Reducing the volume of plastic used in packaging by 30% by 2030 (reference year: 2019, on an intensity basis)	<ul style="list-style-type: none"> <li>• Switching over to materials with lower CO<sub>2</sub> emissions</li> <li>• Utilization of non-tray packaging</li> <li>• Reducing the size of packaging materials, etc.</li> </ul>