NIPPON SEIKI

NIPPON SEIKI
Environmental Report
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Environmental Report

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日本精機株式会社

Contents

About the Environmental Report 2025

- Editorial Policy -

This report has been published continuously since fiscal 2010 to inform our stakeholders of our company's overall environmental conservation activities and to promote communication.

In addition, this report describes our environmental activities as a supplement to the separately published our company Integrated Report.

We hope that we have gained a broad understanding of our company's environmental activities.

In this report, our company is sometimes referred to as "NS" for brevity. Please be aware of this.

Scope of the Report

NIPPON SEIKI CO., LTD.
However, the report includes descriptions of activities of some affiliates.

Period of the Report

April 1, 2024 to March 31, 2025
(Based on the results of the above activities, some progress information since April 2024 is included.)

- Report Contact -

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1. Basic Environmental Policy

Our company has established the following environmental policy to build and maintain an environmental management system in accordance with ISO14001 standards, to develop environmental conservation activities closely linked to its business activities, and to enhance the effectiveness of these activities.

Nippon Seiki Co., Ltd. Basic Environmental Policy

1. Environmental Declaration

We position the realization of a sustainable society as an important management issue, and through business activities that value "aspiration," "society," "customers," and "people," we will continue to provide products and services of high value toward the realization of a safe and secure society in harmony with the environment.

2. Environmental Policy

Through the development, design, manufacture, and sale of products, including the automotive, consumer, and resin compound businesses, the NS Group is committed to mitigating environmental impacts and promoting environmental conservation activities, such as the prevention of global warming, effective use of resources, conservation of biodiversity, prevention of environmental pollution, and adaptation to climate change, as well as promoting continuous improvement.

(1) We identify environmental laws and regulations, as well as local and customer regulations and standards for each element of our business activities, products, services, facilities, and equipment, establish a compliance process, properly monitor and comply with regulations and standards, and strive to mitigate environmental impacts.

(2) Based on analysis of the social environment and customer requirements, we set mid-term and single-year targets, formulate and implement action plans to achieve these targets, and improve performance by evaluating results and improving our environmental management system.

In particular, we promote continuous improvement by developing the following items closely with our business activities:

・Improve efficiency of energy and resource consumption, reduce waste emissions

・Promote reduction of GHG (Green House Gas) emissions

・Promote adaptation to all emergency situations

・Proper management of chemical substances used and contained in products

(3) At every stage from product development and design to production, we will strive to provide products with low environmental impact throughout the entire product life cycle.

(4) In order to carry out activities based on our environmental policy, we will deepen the coordination between our business processes and our environmental management system, and provide environmental education to all employees and internal enlightenment activities.

April 1, 2024
Nippon Seiki Co., Ltd.
President and Representative Director

2. Basic Views

Our group has established a Basic Environmental Policy and positions global environmental issues as important management issues. Aiming to realize a safe and sustainable society that is in harmony with the environment, we are implementing the Environmental Policy and making continuous improvements to achieve our environmental objectives and targets. Through the production activities of our 18 manufacturing plants in Japan and 11 countries around the world, we are developing our business globally to deliver safety and security to society. We are flexibly making use of the design and production technologies we have cultivated over many years and strengthening our "Comprehensive Monozukuri Capability" through their synergistic effects. At the same time, we are promoting activities to reduce our environmental impact by integrating the ISO14001 (2015 version) environmental management system into our business activities and deploying it globally.

3. Business Activities and Environmental Impact in our company and our group

Our company develops, designs, manufactures and sells automotive and consumer products. We strive to reduce the environmental impact of these business activities. Our environmental impact in fiscal 2024 is shown below.

*1 GHG: Greenhouse Gas

INPUT			
Classification	Item	Amount used	Units
Energy	Electric	21,520	MWh
	heavy oil	47	kL
	city gas	342	1000 ㎥
	LPG	37	1000 ㎥
Water	water supply	89	1000 ㎥

OUTPUT			
Classification	Item	Emissions	Units
Green House Gas	GHG * 1 emission	9,576	t-CO2
Drainage Sewerage	Emissions	89	1000 ㎥
Waste	Emissions	248	t
	(Recycling rate)	100	%

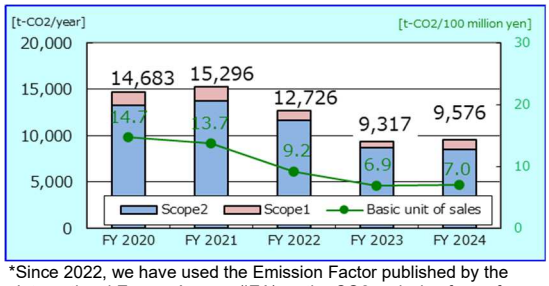
A general term for gases such as CO2 in the atmosphere that cause a greenhouse effect by absorbing part of infrared radiation emitted from the earth's surface.

① Trends in GHG emissions

Although GHG emissions temporarily decreased in fiscal 2023 due to the downsizing of the display business, GHG emissions in fiscal 2024 increased from the previous fiscal year due to the operation of new plants.Compared with fiscal 2022 before the downsizing of the display business, both GHG emissions and unit sales decreased.

Electricity accounts for the largest portion of CO2 emissions, at more than 90%. In the manufacturing area, we have been implementing energy conservation and efficiency improvement activities, including equipment upgrades, on a per-production basis. We have been continuously rated "S" in the the Act on the Rational Use of Energy (Energy Conservation Act) Business Classification System published by the Ministry of Economy, Trade and Industry since 2015.

~ Trends in CO_2 emissions ~



*Since 2022, we have used the Emission Factor published by the International Energy Agency (IEA) as the CO2 emission factor for electricity.

Scope3 Emissions (NIPPON SEIKI)

In order to respond to upcoming global sustainability requirements, we will continue to calculate and disclose GHG emissions and improve their accuracy.

Scope3 Category	FY 2022	FY 2023	FY 2024
Category 1. Purchased products and services	373,215	382,735	375,065
Category 2. Capital goods	6,349	16,691	26,501
Category 3. Fuel- and energy-related activities not included in scopes 1 and 2	1,859	1,351	1,467
Category 4. Transportation, delivery (upstream)	N/A	N/A	N/A
Category 5. Waste from business operations	53	43	43
Category 6. Business trips	188	287	230
Category 7. Employee commuting	144	144	140
Category 8. Leased assets (upstream)	Recognized in Scope2	Recognized in Scope2	Recognized in Scope2
Category 9. Transportation and delivery (downstream)	N/A	N/A	N/A
Category 10. Processing of sold products	Not applicable to calculation	Not applicable to calculation	Not applicable to calculation
Category 11. Use of Sold Products	20,683	15,080	10,600
Category 12. Disposal of Sold Products	232	167	111
Category 13. Leased assets (downstream)	Not applicable to calculation	Not applicable to calculation	Not applicable to calculation
Category 14. Franchise	Not applicable to calculation	Not applicable to calculation	Not applicable to calculation
Category 15. Investment	Not included in calculation	Not included in calculation	Not included in calculation

Some activities are not included in the calculation of GHG emissions in each category. (t-CO2)

② Trends in Waste Discharge and Recycling Rate

Since fiscal 2021, waste discharge and unit sales have been on a downward trend every year. In fiscal 2024, waste emissions decreased by 57 tons (18%) from the previous year to 248 tons.

The recycling rate for recyclable waste was 100%.

We will continue to promote the reduction of defective waste and the improvement of the recycling rate to achieve the targets.

~ Trends in Waste Discharge and Recycling Rate ~

③ Examples of energy and environmental impact reduction

Power reduction by shortening mold temperature control hose

In a resin injection molding machine, liquid is circulated through a mold temperature control hose to keep the mold at a constant temperature. Until now, this hose had been used for a long time to ensure the necessary flow rate, which put a load on the temperature controller and consumed unnecessary power.

The temperature control hose was changed from 5 m to 4 m, and the effect was confirmed by measuring the inlet/outlet temperature, flow rate, and power consumption. It was confirmed that energy was reduced by 960kWh/year (approximately 19,200 yen/year) per 1 temperature controller.

Improvement of the site environment through heat shielding work on the factory roof and installation of photovoltaic power generation

Kyoei Engineering Co., Ltd., a member of the Nippon Seiki Group, is a company engaged in ultra-precision metal processing.

Temperature control in the factory is important for precision processing, and in order to control temperature rise due to radiant heat from the roof, thermal barrier sheets were installed on the ceiling and lighting was switched to LED.

In addition, 300 kW photovoltaic panels were installed on the roof, and CO2 emissions were reduced by 102 tons per year by using renewable energy.

The Nippon Seiki Group is working to reduce its environmental impact by installing solar panels and switching to LED insulation and lighting.

Ceiling thermal insulation sheets, LED lighting

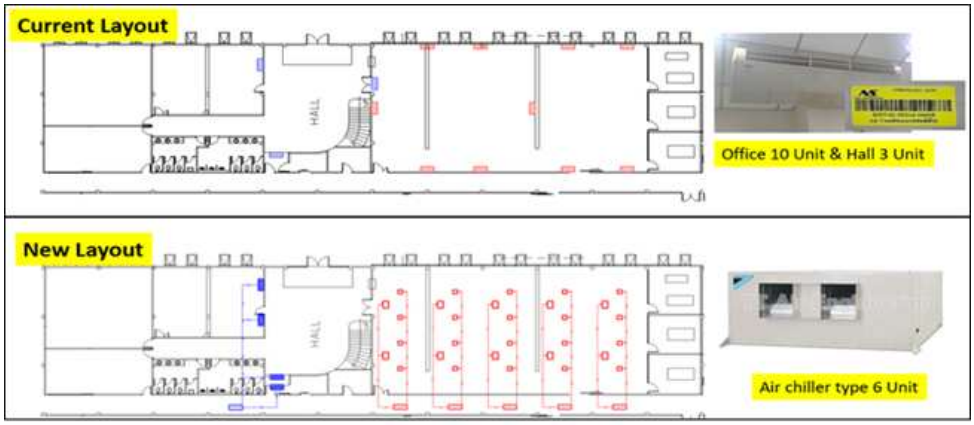
photovoltaic panels installed in August 2024

Reducing electricity consumption by changing air conditioners

Thai Nippon Seiki, a member of the Nippon Seiki Group, manufactures instruments for motorcycles and automobiles in Thailand.

When the old air conditioner was replaced, the refrigerant air conditioner was replaced with a water-cooled air conditioner.

Maintenance time for the new air conditioner was cut in half and energy consumption was reduced by 110MWh/year.



Energy Reduction by Molding Machine Cylinder Insulation Group Expansion

Indonesia Nippon Seiki is a company that manufactures instruments for motorcycles and automobiles in the Republic of Indonesia.

Two years ago, the company applied the energy reduction by molding machine cylinder insulation applied in Japan to overseas group companies. So far, the company has reduced energy consumption by 117kWh/year by applying the method to 19 molding machines, and plans to apply the method to other molding machines in the future.

In the future, effective energy reduction measures will be shared within the group, and energy reduction activities will continue throughout the Nippon Seiki Group.

cylinder before application

Cylinder with thermal insulation cover

④ **Environmental Impact of the NS Group**

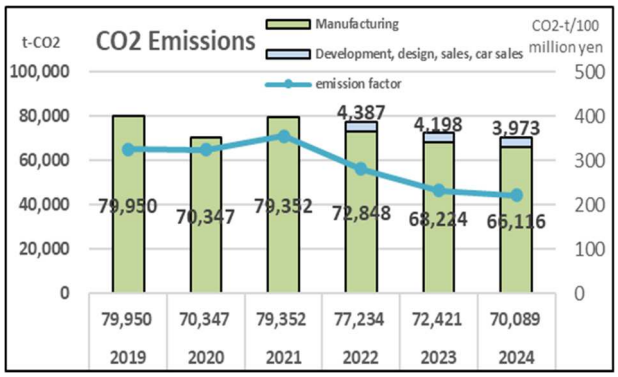
The NS Group consists of 30 affiliated companies, including 18 manufacturing plants in Japan and overseas. Their overall environmental impact is as follows. We will continue to grasp the environmental impact of the NS Group as a whole and reduce its environmental impact.

Item		Units	Japan	North America	South America	Europe	Asia	China	Total
Number of Group Companies		company	9	3	1	3	8	6	30
Energy	Electric	MWh	61,507	20,856	4,738	4,140	40,511	15,598	147,349
	kerosene	kL	107					2	109
	heavy oil	kL	201						201
	Natural gas (excluding	1000 m3		266		104		30	400
	LPG (propane gas)	kg	100,959				57,187	2,075	160,221
	LNG	kg							0
	city gas	1000 m3	384			66			450
	Gasoline	kL	385	35	7	10	125	29	591
	Diesel oil	1000 m3	125	2	4	0	193		325
Water consumption		1000 m3	921	31	6	5	137	112	1,211

INPUT

OUTP

Item	Units	Japan	North America	South America	Europe	Asia	China	Total
drainage volume	1000 m3	919	17	6	5	139	99	1,185
Amount of waste discharge	t	1,537	1,170	118	325	2,039	291	5,480
GHG emissions (Scope1)	t-CO2	3,105	565	26	317	959	130	5,102
GHG emissions (Scope2)	t-CO2	25,933	8,126	352	491	21,982	8,101	64,987
GHG emissions (Scope1+2)	t-CO2	29,038	8,691	379	809	22,941	8,231	70,089



From fiscal 2022, GHG emissions are calculated for group companies engaged in manufacturing, development, design, sales, and dealer operations. The CO2 emission coefficient for electric power is based on the Emission Factor published by the International Energy Agency (IEA).

4. Environmental Management

① Response to TCFD

In September 2022, Nippon Seiki announced its support for the TCFD recommendations (Task Force on Climate-related Financial Disclosures) and joined the TCFD consortium. The Nippon Seiki Group has a sustainability policy and considers responding to climate change to be one of the most important management issues within ESG (Environment, Society, and Governance).

Risk Management

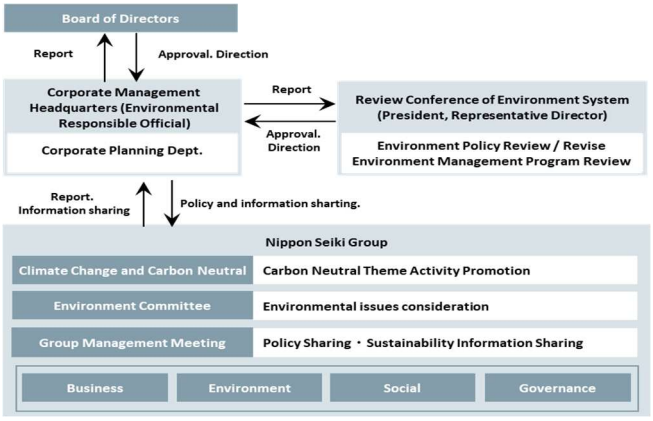
Regarding the management of risks related to sustainability and climate change, the Environmental Management Officer and the "Public Relations and Sustainability Promotion" section within the Business Management Headquarters serve as the secretariat to analyze risks that may have a significant impact on the Nippon Seiki Group and each stakeholder. The results and KPIs are discussed and reported once a year at the Environmental System Review Meeting or to the Board of Directors. Regarding the environmental management program, plans, KPIs, and implementation results are discussed and reported to the environmental system review meeting.

Governance

To strengthen our efforts for sustainability, in 2022 we established the "Corporate Communications & Sustainability Department (Currently in the Corporate Planning Department)" within the Business Management Division, which integrates sustainability including climate change and public relations activities.

The Corporate Planning Department

- reviews and examines risks related to climate change and its impact on business activities.
- Policies, targets, progress, and issues are discussed and reported to the Board of Directors and the Environmental System Review Meeting, which is a meeting body related to the environment.
- Policies and targets are developed and directed through the Environmental Committee, related departments, and the Group Management Meeting, which is a group company-wide meeting. Information is shared and progress is managed.



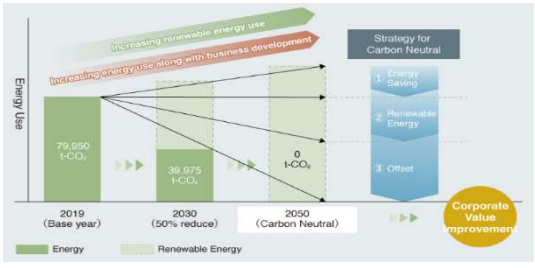
Strategy

Due to its risks, climate change has various impacts not only on our business activities and its group companies, but also on us, the society surrounding them, and our stakeholders. In order to minimize the impact of risks and take advantage of opportunities, we identify the impact (risks and opportunities) that climate change will have on business activities through scenario analysis. We will then promote sustainable business activities by considering the priorities and reflecting them in our business strategies.

Scenario	Factor	Risk	Opportunity	Effect	Countermeasures
Transfer effect to 1.5°C/2°C society	Carbon Price	・Cost increase by carbon taxation to materials	・Product weight saving, design and production engineering improvement ・Introducing sustainable material	High	・Energy efficiency production(introducing hugh efficiency machinery) ・Energy efficiency design (material saving, alternative material usage)
		・Cost increase by carbon taxation to fuel	・Various renewable energy(solar, hydrogen, alternative fuel, etc.)		・Change to renewable energy, installing solar panel Purchasing non-fossil certificate,reducing GHG by electrification ・Making GHG reduciton plan and implementation
		・Cost increase by alternative energy investment	・Choosing effective investment		・Introducing internal carbon pricing
	Energy Price (Electricity, oil, gas)	・Energy cost soaring ・Manufacturing cost increase by energy cost soaring ・Transport cost increase by fuel cost soaring	・Various renewable energy(solar, hydrogen, alternative fuel, etc.)	High	・Reducing GHG by electrification ・Change to renewable energy ・Installing solar panel
	GHG regulatoin become strict	・Restriction by GHG emmision regulation ・Material cost soaring	・High energy efficiency equipment development	High	・High energy efficiency prodution and design ・High energy efficiency equipment development
	Plastic Restrictoin	・Plastic emmision regulation ・Material cost increase by plastic emission restriction	・Introducing sustainable material	Middle	・Considering alternative material, and appling to products
	Recycle Restriction	・Recycle material cost soaring, D&D cost increase by design change to recycle material	・Introducing sustainable material ・Recycle process development	Middle	・Considering alternative material, and appling to products ・Reducing material purchase and emission by recyle
Physical effect in 4°C climate change	Heavy rain and flood increase	・Heavy rain, sea level rising ・Operation stoppage by flood ・Moving factory, warehouse location to avoid flood risk ・Product shipping stoppage by supply chain discontinuation	・Tranformation to resilient factory	High	・BCP improvement ・Disaster prevention manual ・Enhancing flood resilience
		・Unstable labor resource	・Introducing efficient and flexible working way		・Flexible remote working

Metrics and Targets

For realizing a sustainable society, Nippon Seiki Group has set targets related to climate change to reduce CO_2 emissions by 50% in Scope1 and Scope2 (compared to 2019) in 2030 and 100% (carbon neutral) in 2050.



*For details, please refer to the environmental initiatives in our company's Nippon Seiki Integrated Report 2025.
These can be viewed and downloaded from our company website.

URL https://www.nippon-seiki.co.jp/ir_library/#contents04

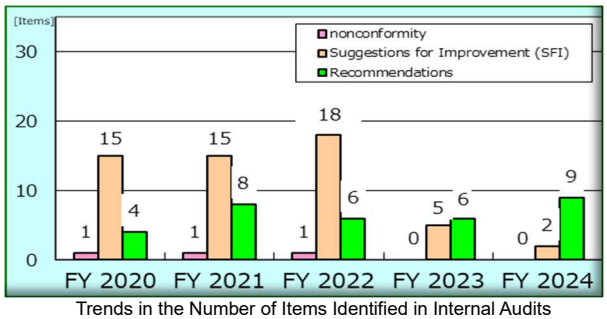
② Status of ISO14001 Certification Acquisition

Our company has acquired and continues to maintain ISO14001 environmental management system certification at manufacturing affiliates in Japan and overseas. We have also completed the transition to the 2015 version of ISO14001, which was revised.

Region	Location	Company Name	Date of certification
Japan	Niigata Pref.	Nippon Seiki Co., Ltd.	Aug 1999
	Niigata Pref.	NS Advantech Co., Ltd.	Nov 2002
	Niigata Pref.	Kyoei Engineering Co., Ltd.	Apr 2025
	Hiroshima Pref.	NS West Inc.	Nov 2001
Americas	United States	New Sabina Industries, Inc.	Oct 2001
	Mexico	Nippon Seiki De Mexico S.A. De C.V.	Jul 2014
	Brazil	Nippon Seiki Do Brasil Ltda.	Nov 2004
Europe	United Kingdom	UK-NSI Co., Ltd.	Apr 1999
	Poland	Nippon Seiki Poland Sp. z o.o.	May 2023
Asia (Excluding China)	Thailand	Thai Nippon Seiki Co., Ltd.	Oct 2003
	Thailand	Thai Matto NS Co., Ltd.	Feb 2010
	Indonesia	PT.Indonesia Nippon Seiki	Sep 2010
	Vietnam	Vietnam Nippon Seiki Co., Ltd.	Jan 2011
	India	NS Instruments India Private Ltd.	Nov 2015
China	China	Shanghai Nisseiki Equipment Co., Ltd.	Aug 2006
	China	Nisseiki Wuhan Co., Ltd.	Jan 2015
	China	Dongguan Nissei Electronics Co., Ltd.	Oct 2004
	China	Nissei Process Plastics (Nantong) Co., Ltd.	Jun 2007

③ Internal Audits and Continuous Improvement of the Environmental Management System

Internal environmental audits are conducted for all divisions once a year.
In fiscal 2021, we acquired ISO45001 certification for the Occupational Health and Safety Management System, and are now conducting internal audits covering both the environment and occupational health and safety. For external audits, we undergo an integrated environmental and occupational health and safety audit.
The results of these internal audits of our environmental and occupational health and safety management systems, together with the results of external audits, are reported to the President and management at the Management System Review Meeting, where they are evaluated and recommended for continuous improvement.



Trends in the Number of Items Identified in Internal Audits

④ Environmental assessment by an external organization (CDP)

Our company has been conducting climate change and water security assessments through CDP (*) since 2018. In the 2024 assessment, we received a management level rating for both climate change B and water security B-.

CDP is an international non-profit organization (NGO) that promotes environmental information disclosure. (formerly Carbon Disclosure Project)
Assessment: A, A-Leadership level, B, B-Management level, C, C-Awareness level, D, D-Disclosure level, F-No response

⑤ Compliance with laws and regulations, Emergency response, External and internal communication

Compliance with laws and regulations

We have identified 61 laws and regulations related to the environment and occupational safety, and conduct periodic compliance assessments 2 times a year. There are 852 evaluation items, including in-house standards, and we have confirmed compliance with all of them. To strengthen compliance, we conduct sampling surveys in addition to self-assessments.

Response to Emergencies

Every October, we conduct disaster prevention and evacuation drills at each site. In fiscal 2024, we conducted drills assuming an earthquake and subsequent fire.
We conducted initial fire extinguishing with fire extinguishers and hydrants, notification drills, disaster prevention radio drills, victim relief drills, etc. We also conducted outdoor evacuation drills during night shifts.



Disaster drill at the Takami Site

Communication with the outside and inside

Our company actively participates in local community activities, promotes communication with the outside, and works to conserve biodiversity.

1) Tree raising and tree planting activities to create a forest of life

We participated in the tree-planting and tree-planting activities held as part of the "Forest for Life" activities of the Niigata Prefecture Wild Grass Association. Based on the philosophy of coexistence with nature, the association aims to build a healthy, heart-rich and fulfilling life and a sustainable society.

Through these activities, we will gain a better understanding of how nature is maintained and nurtured in the region and contribute to the development of the region, aiming to become a company that is familiar to the local community.

URL NIPPON SEIKI News "Tree planting activity in Happodai, Nagaoka, Niigata Prefecture"

2) Nagaoka Festival Minyo Nagashi

We participated in the Minyo Nagashi at the Nagaoka Peace Festival held on August 1, 2024.

Dressed in matching yukata, we performed our rehearsed dance and paraded to Nagaoka's representative folk songs, Nagaoka Jinku and Daihanabi Ondo. We are contributing to the development of the local community while bringing excitement to the Peace Festival.

URL NIPPON SEIKI NEWS NIPPON SEIKI Group Sponsors Nagaoka Festival and Daihanabi Display

3) Nagaoka Festival Fireworks Festival Clean Campaign

On August 3, 2024, the day after the Nagaoka Festival Fireworks Festival, we participated in an early morning cleanup of the venue.

On the day of participation, we picked up trash together with volunteers from elementary and junior high schools in the city, as well as companies and organizations. We were able to contribute to the beautification of the local environment and the reduction of trash flowing into rivers.

URL NIPPON SEIKI News NIPPON SEIKI Group Sponsors Nagaoka Festival Fireworks Festival

⑥ **Green Procurement**

Green Procurement Guidelines

Our company first published its Green Procurement Guidelines in 2005 with the aim of "Procure parts and materials with low environmental impact throughout their life cycles from suppliers that are developing environmentally conscious business activities." The 14 edition was published in April 2025.

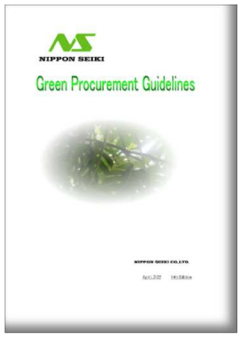
As a result of recent trends in the regulation of substances with environmental impact, most of them have been strengthened under the POPs Convention, and there is an increasing number of cases in which substances contained in additives to provide various functions are regulated. Therefore, we ask our suppliers to report their contents including additives.

In addition, we ask our suppliers to promote further efforts in response to carbon neutrality, which is an issue on a global scale.

The Green Procurement Guidelines can be viewed and downloaded from our company website.

URL https://global.nippon-seiki.co.jp/sustaina_en/#contents04

~NS Green Procurement Guidelines ~



⑦ **Management of Chemical Substances Contained in Products**

Our company has been asking suppliers to cooperate in surveys of substances of concern throughout the year in order to monitor chemical substances contained in our company products and prevent the inclusion of regulated substances. In recent years, we have strengthened our monitoring system for the increasing number of regulated substances, such as conducting a simultaneous survey on new regulated substances such as MCCP.

In the event of a material change, we have established a system that requires suppliers to report the details of the change through an advance application for the first product, as well as to report the content of the chemical substance after the change in advance, thereby further strengthening the management of chemical substances contained in our company products. Going forward, we will continue to strengthen our system so that we can promptly switch to materials that are expected to be changed as the number of regulated substances increases, even before the relevant laws and regulations come into effect.

In cooperation with our suppliers, we will further promote efforts to comply with laws and regulations and reduce environmental impact.

5. Environmental Objectives, Targets, and Results

① Targets and Results

FY 2024 was the 2 year anniversary of the objectives and targets of our company 9th Environmental Plan (FY 2023 to FY 2026). We achieved our targets in eight of 14 themes.

As part of our efforts to prevent global warming, we targeted a 5% reduction in CO2 emissions for FY 2024 compared to FY 2023. We were able to achieve this reduction through the operation of solar power generation facilities, various energy reduction initiatives, and a review of emission factors.

Energy-related and water consumption increased compared to the previous year due to the operation of a new plant. In addition, the basic unit of waste emissions was reduced, and the recycling rate for recyclable waste achieved each target.

In fiscal 2025, we will promote activities by taking into account the lessons learned and issues of the previous fiscal year, and we will also promote activities to further reduce energy and GHG emissions in order to achieve the newly set goal of carbon neutrality.

Themes	Item	Target	Targets for FY 2024	Results for FY 2024	Assessment
Efforts to prevent global warming	Total CO2 emissions	Entire company	5% reduction compared to fiscal 2024	16.8% reduction	○
	Electric power	All manufacturing divisions	2% reduction (per production unit) (compared to FY 2024)	8.0% increase	×
		All indirect departments	2.0% reduction (electricity consumption) (compared to FY 2024)	13.9% increase	×
	Heavy oil	Departments concerned	Operation and management * (CO2 management as a whole)	0.4% increase	×
	City gas	Department	Operation and management * (CO2 management as a whole)	261.2% increase	×
	LPG	Department	Operation management * (CO2 management as a whole)	14.2% reduction	○
Water resource conservation	Water supply	Company-wide	Operation management	14.6% increase	×
Efforts to reduce, reuse, and recycle waste	Emissions	Designated manufacturing departments	1% reduction (per unit of production) (compared to fiscal 2024)	17.1% reduction	○
	Recycling rate	Entire company	99.90% or more	100.00%	○
Promotion of development of environmentally friendly products	Product environmental indicators	Design department	Improvement of product environmental indicators for each product group	Developed in 10 themes Average target achievement rate: 95%	△
Proper management of chemical substances	Management of chemical substances contained in products	Design Department	Establishment of a system to guarantee the absence of additional RoHS2 banned substances	Developed two themes Target achievement rate: 100%	○
	Handling management	Relevant departments	Amount of PRTR-listed substances used Management, reduction	Developed in three themes Target achievement rate: 100%	○
Promotion of green procurement		Procurement related departments	Improvement of environmental performance evaluation by suppliers	Development of three themes Target achievement rate: 100%	○
Global environment Improved performance	CO_2 emissions	Sustainability Related divisions	Understanding of environmental data at domestic and overseas affiliates	Continued understanding of common environmental data at manufacturing affiliates: 100%	○

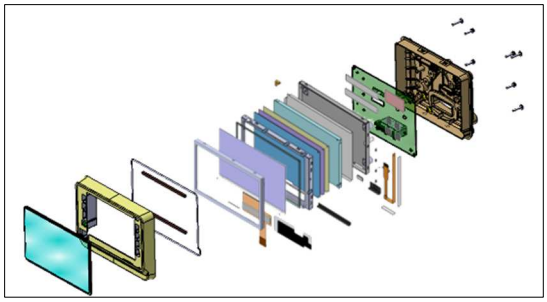
○: Target achieved △: Reduction/improvement from the previous year, but target not achieved ×: Deterioration from the previous year, target not achieved

*Operation management: Since heavy oil, city gas, and LPG are used in indirect departments, we set targets for reducing and managing overall CO2 emissions. Water supply is used only for utility purposes, so changes in water consumption are monitored.

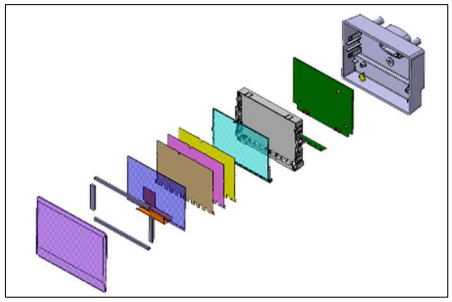
② **Examples of Environmentally Conscious Design and Development**

1) Low-Cost TFT Meters by Reducing the Number of Parts

Traditionally, motorcycle meters use a pointer type or passive liquid crystal display, but in recent years, TFT-LCD products have become the mainstream.
Aiming to reduce meter costs, we developed low-cost TFT meters. We developed new technologies such as laser welding, in-house production of TFT backlights, and layout optimization, which contributed to a 41% weight reduction by eliminating metal parts such as biz and bezel.
Our company will continue to develop environmentally friendly products.



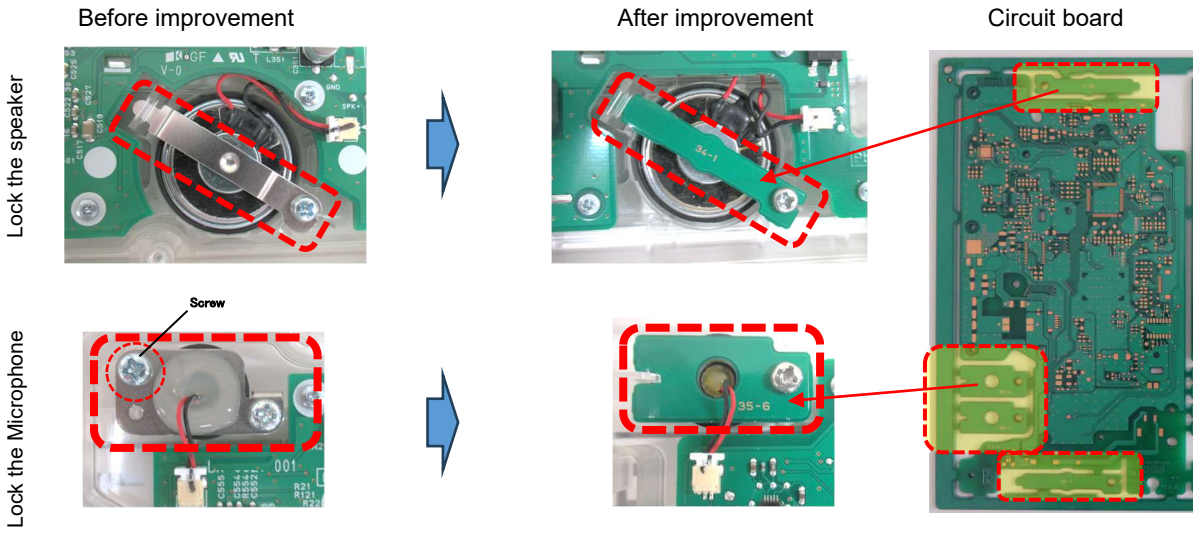
Normal TFT



New Low-Cost TFT

2) Reducing Parts by Utilizing Waste Board Materials

Our company designs and manufactures remote controls for water heaters as commercial products for consumer housing. At the time of redesigning the remote control, we used stainless steel parts to fix the microphone and speaker. However, we made effective use of the waste portion of the circuit board (a portion that is not normally used and becomes waste) and eliminated one fixing screw by using a hook structure. As a result, we were able to reduce the amount of stainless-steel parts, screws, and waste, as well as the cost of parts and the initial cost of parts.



6. Finally

Our company is developing activities to realize a sustainable society and reduce the environmental impact throughout the life cycle.
In 2022, we expressed our support for TCFD and formulated governance, strategies, risk management, targets and indicators.
We will strengthen and speed up our environmental activities to achieve carbon neutrality by 2050.
In addition, we will expand the scope of these activities to NS Group affiliates in Japan and overseas, as well as identify and reduce the energy consumption and environmental impact of suppliers involved in our company business.