

Contribute to Making People's Lives More Pleasant and Beautiful
That is why Takara is committed to addressing environmental issues.



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Review of FY2024

In FY2024, we set the major goal of reducing CO₂ emissions and worked toward shifting them to a downward trend. As a result, emissions decreased by about 3,000 tons from the previous year, totaling 51,504 tons, exceeding our initial target of 56,000 tons. Several measures contributed to this achievement. First, we introduced energy-saving equipment and reviewed usage practices to reduce the electricity and fuel consumed at plants. We also procured non-fossil certificates. In addition, we carried out in-house awareness activities to raise each employee's environmental consciousness. We believe these combined efforts led to visible results.

Initiatives for FY2025

In FY2025, we are aiming to reduce CO₂ emissions by about 9.5% compared to FY2020, with a target of 52,000 tons. This is an important step toward reducing environmental impact and contributing to the creation of a sustainable society. To achieve this target, this year we are working toward the following two outcomes.

1. Achieving zero CO₂ emissions from electricity use at business sites

We are switching to environmentally friendly power sources and utilizing non-fossil certificates to effectively bring CO₂ emissions from electricity use at business sites down to zero.

2. Expanding the energy-saving investment plan

Based on the results of energy-efficiency diagnostics conducted at plants in FY2024, we are reviewing energy usage and investing in more efficient equipment, thereby contributing to long-term reductions in energy consumption.

We are also strengthening internal systems to advance these initiatives. Led by the Environmental Subcommittee, each division is working together to manage progress and verify results, ensuring that the targets are achieved.

TCFD-Based Information Disclosure

Governance/Risk Management

The Environment Subcommittee, a subordinate organization of the Sustainability Committee chaired by the President, is responsible for identifying and analyzing risks and opportunities related to environmental issues, particularly climate change, as well as deliberating on challenges and countermeasures. The Subcommittee, chaired by the Head of the Corporate Planning Office, meets at least four times a year to discuss responses to TCFD recommendations, the progress of strategies and indicators, and consistency with management plans, and submits a report to the Sustainability Committee at least twice a year. Additionally, reports are submitted to the Board of Directors through the Sustainability Committee. The Corporate Planning Office, as the Executive Office of the Subcommittee, operates the Subcommittee and coordinates with company divisions in response to the TCFD recommendations and to monitor these responses. The Office also conducts scenario analysis to identify risks and opportunities arising from climate change, considers responses, and proposes and reports findings to the Environment Subcommittee.

Strategy

■ Transition Risks (Below 1.5° C Scenario)

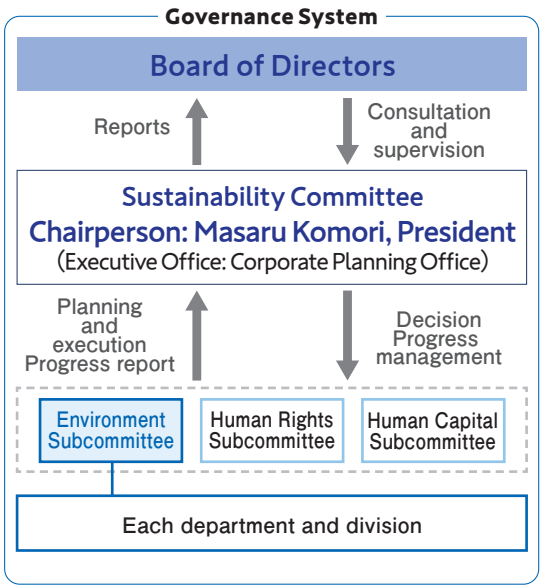
Category	Scenario	Risk	Impact Level	Opportunities	Impact Level
Policies and regulations	Introduction of carbon taxation	Increase in procurement costs of materials and energy, leading to higher manufacturing costs and selling, general, and administrative (SG&A) expenses	High	—	—
	Strengthening of forest environmental regulations, etc.	Increased difficulty and cost of procuring wood-based materials, leading to higher manufacturing costs	High	—	—
Market and technology	Progress in divestment and business portfolio reviews in the petrochemical and steel industries aimed at decarbonization	Increased difficulty and cost of procuring steel, resin, and wood-based materials, leading to higher manufacturing costs	High	—	—
	Diversification of wood demand	—	—	—	—
	Changes in customer and consumer behavior Preference for products with high water-saving, energy efficiency, and durability features	—	—	Increased recognition of enameled products and other easy-to-maintain, long-lasting products	Medium
	Changes in customer behavior Preference for materials with low GHG emissions in the manufacturing process	Risk of decreased demand for products with high GHG emissions in the manufacturing process	Medium	Increased demand for wood-based products	Medium

■ Physical Risks (4° C Scenario)

Category	Scenario	Risk	Impact Level	Opportunities	Impact Level
Chronic risks	Increased risk of heatstroke due to rising temperatures	While work environments are not directly exposed to sunlight, they are still affected to some extent	Medium	—	—
Acute risks	Intensification and increased frequency of extreme weather events	Risk of operational shut-downs and supply chain disruptions due to disasters	Low	The presence of a resilient supply system is becoming more significant due to increasing disaster risks. (Continuous supply was maintained even during the 2011 earthquake.)	High

■ Key Environmental Initiatives

Objectives	Countermeasures
Reduction of GHG emissions	Installation of solar panels and promotion of modal shifts (encouraging the use of eco-ships and rail transport).
Strengthening resilience against weather disasters	Promoting continuous efforts in business continuity planning (BCP), including diversification of manufacturing and logistics bases, and securing inventory.
Resource conservation in packaging materials	By minimizing packaging, we promote resource conservation, waste reduction, and improved efficiency in transportation and unpacking.



Other initiatives

Utilizing cleaner energy with solar power

Solar power generation systems have been installed in 15 company buildings, including regional offices, branches, factories, and logistics centers nationwide, demonstrating a commitment to environmental and energy efficiency considerations.

[Locations with Installed Solar Power Systems]
Head Office, Osaka Branch, Yokohama Branch, Kita-Kanto Branch Office, Higashi-Kanto Branch Office, Utsunomiya Sales Office, Kyoto Branch, Kobe Branch, Hiroshima Branch, Shikoku Branch, Osaka Factory, Wakayama Factory, Fukuoka Factory, Tohoku Logistics Center, and Fukuoka Logistics Center



Recyclable Takara uniforms made from plant-based materials

The uniforms worn at Takara standard, including jackets, pants, skirts, and three-quarter sleeve tops, feature environmentally friendly materials. The linings contain plant-based polyester, while the weft yarn of blouse fabrics uses recycled polyester. Additionally, used uniforms are collected and repurposed into new uniforms or secondary products, enabling sustainable reuse.



Commitment to environmental protection in catalogs

The catalogs provided to customers also contribute to environmental protection by using eco-friendly paper and plant-based ink.

Paper The state of the world's forests is worsening due to illegal logging and deforestation of virgin forests, increasing environmental burdens. Takara standard supports proper forest management and contributes to preventing global warming by adopting eco-friendly paper, helping to build a sustainable, recycling-oriented society.

Ink Moreover, the ink used in catalogs is being switched to plant-based ink and other renewable inks. Compared to petroleum-based solvents, these inks emit fewer volatile organic compounds (VOCs), reducing environmental impact.

Target for CO₂ Reduction

CO₂ emission reduction target for FY2026

Reduction of **15%**
from FY2020 level

CO₂ emission reduction target for FY2030

Reduction of **30%**
from FY2020 level

Initiatives to Reduce CO₂ Emissions in Business Activities

Installation of energy-saving equipment at production bases, conversion of fuels



Reducing gas consumption and CO₂ emissions with energy-saving gas burners



Promoting the replacement of electric boilers with gas boilers

Installation of energy-saving equipment at our offices



Introducing LED lighting and high-efficiency air-conditioning systems