

Disclosure Based on the TCFD Recommendations

The Tomoku Group endorsed the TCFD in May 2022, disclosing information based on TCFD recommendations since.

We understand that climate change is one of the most urgent global environmental issues, and that climate change will have a major impact on the global economy and society.

The Tomoku Group regards climate change as a top management priority, and pursue the reduction of greenhouse gas emissions and the efficient use of energy.

We will continue to actively disclose group strategies and responses, striving to enhance the quality and quantity of related disclosures.

1. Governance

The President and CEO is responsible for the overall sustainability strategy, including climate change response in our group.

The Sustainability Committee, chaired by the President and CEO, including the Directors of Production, Sales, and Administration as members, meets four times a year to formulate policies, deliberate on initiatives, set targets, and manage progress related to ustainability, and reports to the Board of Directors.

The Board of Directors receives reports from the Sustainability Committee, monitors the response to issues and the achievement of set targets, and supervises these efforts. (Figure 1)

Under the Sustainability Committee, the Sustainability Project Team (hereafter "Sustainability PT") led by the Director of Administration, the TCFD Disclosure Project Team (hereafter "TCFD Disclosure PT") led by the President and CEO, and the Group Sustainability Liaison Meeting led by the Director of Administration have been established as subordinate organizations.



TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Figure 1 Governance



The Sustainability Project Team, with the President's Office and the ESG Promotion Office serving as its secretariat, is composed of the heads of the Production, Sales, Administration, and Quality Control Departments, and discusses various responses and measures related to sustainability in general.

The TCFD Disclosure PT, with the ESG Promotion Office, the President's Office, and the Quality Control Department serving as its secretariat, is composed of the heads of the the Corrugated Container and Display Carton, the Housing, and the Transportation and Logistics businesses, and discusses risks and opportunities related to climate change, as well as various measures from the perspectives of different businesses.

The Group Sustainability Liaison Meeting, with the President's Office and the ESG Promotion Office serving as its secretariat, is composed of executives from the group core companies in the Housing and Transportation and Logistics businesses. It collaborates with each PT to discuss and align on sustainability issues and measures to climate change mitigation measures across the group. Additionally, it plays a role in providing instructions and advice to group companies.

The Group Sustainability Liaison Meeting and each PT work in close cooperation with each other to make proposals to the Sustainability Committee, which then deliberates on those proposals.



2. Strategy

2-1 Materiality

The Tomoku Group has selected twelve materiality issues to prioritize and address from the perspective of their impact on all stakeholders and our group (Figure 2). Among these, addressing climate change has been identified as one of the highest priority issues, and we are actively working on it.

2-2 Scope of the Analysis

The scope of the scenario analysis addressed the consolidated companies in our three major businesses in Japan (the Corrugated Container and Display Carton, the Housing, and the Transportation and Logistics business), which account for approximately 90% of the consolidated sales. Going forward, we plan to enhance the scenario analysis by including overseas consolidated companies. The sales and operating income by business for FY2023 are shown in Figure 3.





2-3 Climate-related Scenarios

In the scenario analysis, we referenced the materials published by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) to set the two future scenarios shown in Table 1 (the 1.5°C Scenario* and the 4°C Scenario).

Going forward, we will continue to use the latest data to enhance the accuracy of our scenario analysis. The results of these evaluations will be reflected in our business strategy to increase resilience in the face of an uncertain future.

*If projected data is not available for the 1.5 $^\circ \mathrm{C}$ Scenario, the 2 $^\circ \mathrm{C}$ Scenario will be used.

Table1ScenarioSetting

Worldview		A world where temperature rise is controlled by policies	A world where rising temperatures and climate change are progressing		
		1.5°C Scenario	4°C Scenario		
Outline		A scenario where the temperature rise in 2100 is limited to 1.5°C above the late 19th century average. Due to strengthened regulations, we are affected by transition risks such as carbon taxes. On the other hand, the impact of physical risks is relatively small compared to the 4°C scenario.	A scenario where the temperature in 2100 has risen by 4°C since the late 19th century. We are affected by physical risks such as the intensification of extreme weather events. On the other hand, since there is no regulatory tightening related to climate change, the impact of transition risks is small.		
Scenario	Transition	IEA Net Zero Emission by 2050 (NZE) IEA Sustainable Developement Scenario (SDS)	IEA Stated Policies Scenario (STEPS)		
	Physical	IPCC RCP 2.6	IPCC RCP 8.5		

- The scenarios in the IEA WEO are essentially used when considering transition risks and opportunities

- The IEA WEO2019 was referenced for the SDS, while the WEO2023 was referenced for other IEA scenarios

- The scenarios in IPCC AR5 are used when considering physical risks



2-4 Risks, Opportunities, and Strategies

We identified the expected risks and opportunities, and qualitatively evaluated the magnitude of their impact as low, medium, or high.

We considered the transition risks and opportunities based on the 1.5°C scenario, which is expected to have a significant impact, and the physical risks and opportunities based on the 4°C scenario, and summarized our measures and strategies for addressing these risks and opportunities (Tables 2 and 3).

Table 2 Transition Risks, Opportunities, and Strategies (Mainly 1.5°C Scenario)

Expected Risks		Timolino	Expected Financial Impact		Assessment		Stratogios		
Major Classification	Classification Intermediate Classification Detailed Classification		Timenne	Risks Opportunities		Risks	Opportunities		
Transition	Policies and Regulations	Carbon taxes and regulations related to fossil fuel usage	Medium to Long Term	 CO) The introduction of carbon taxes and regulations on fossil fuels leads to an increase in the prices of fossil fuels and electricity used, resulting in decreased profits. CC) The procurement costs for fossil fuels used in boilers and the costs for introducing environmentally friendly equipment are increasing. TL/The procurement costs for fossil fuels used in truck transportation and the costs for introducing environmentally friendly trucks are increasing. HO) Due to the rise in the price of fossil fuels used in ships, the transportation costs of materials procured from overseas are increasing. 	CC) TL) Low-carbon products and low-carbon transportation, which are less affected by carbon taxes and fossil fuel regulations, maintain price advantages and are chosen by customers.	Medium	Medium	CO)As short-term measures, we will promote efforts such as switching to electricity derived from renewable energy sources, electrifying on-site work lifts, and converting to LED lighting. CC)Boiler fuel conversion (from heavy oil to natural gas) and introduction of environmentally friendly boilers TL) Improvement activities to enhance truck fuel efficiency and loaded ratio, and introduction of environmentally friendly trucks such as those using fuel conversion, hybrids, and Evs HO) Importing materials using decarbonized ships	
		Plastic regulations	Short to Long Term	TL)Due to the regulation of plastic packaging materials used for preventing cargo collapse and cushioning during transportation, additional costs are incurred for switching to alternative products and implementing necessary measures.	CC) Due to the regulation of plastic packaging materials, the demand for alternative materials such as corrugated containers and display cartons increases significantly.	Low	High	CC) Development of technology and promotion of sales to enable conversion to paper products	
		Renewable energy and energy saving policies	Short to Long Term	CO) If the price of renewable energy rises due to increased demand resulting from the strengthening of emission regulations (such as carbon tazes), procurement costs increase. HO) If energy-saving standards for housing are further raised, the construction costs of building houses increase.	HO) Demand for highly insulated and airtight houses, as well as Net Zero Energy House (ZEH) -standards houses, is increasing. Additionally, demand for renovations for energy creation and energy savings is growing.	Medium	High	CC/TL) Consider the possibility of self-generation using solar power, etc. HO) Promotion of the sales of houses that feature solar power generation inaddition to high insulation and high airtightness	
	Technology	Advancement of low-carbon technology	Medium to Long Term	CC) Due to the widespread adoption of low-carbon boilers, their installation costs are increasing. TL)Due to the shift towards low-carbon transportation, the cost of introducing trucks and related equipment are increasing.	CC) TL) The active implementation of products and transportation that utilize low-carbon technologies increases revenue.	Medium	Medium	CC) Introduction of low-carbon boilers TL) Introduction of next-generation environmentally friendly trucks such as Fuel Cell (FC) large trucks	
		Changes in raw material costs	Short to Long Term	CC) Raw material prices increase due to environmental countermeasure costs and other expenses by suppliers.	-	Medium	High	CC)Deepening collaboration with suppliers	
	Market	Changes in demand for important products	Medium to Long Term	_	CC)As the eco-friendliness of carbon-neutral and recyclable corrugated containers is reevaluated, demandis rising. HO) An increase in consumers' environmental consciousness is leading to higher demand for wooden houses that enable long-term carbon fixation, ZEH-standard houses, and houses with high durability, insulation, and airtightness.	1-1	-	CC) Pursuit of environmentally friendly and customer-needs-driven HO)Sales of houses that utilize their unique strengths	



Table 3 Physical Risks, Opportunities, and Strategies (Mainly 4°C Scenario)

Expected Risks			Timolino	Expected Financial Impact		Assessment		Stratogias
Major Classification Intermediate Classification Detailed Classification		mineune	Risks	Risks Opportunities		Opportunities	Suategies	
Physical	Acute	Intensification of extreme weather events	Short to Long Term	CO)When natural disasters become larger in scale and more frequent, the impact on employees, supply chain disruptions, and damage to production sites, business sites, subdivisions, and loading/unloading points can cause operational shutdowns, delays in deliveries and construction periods, resulting in reduced profits.	CC) Shipments of disaster-related products such as cardboard beds and partitions used in evacuation centers increase. With growing demand for disaster-related items like water and instant noodles, the need for corrugated containers used in packaging materials increases. TL) Participating in the logistics operations of clients related to disaster relief can enhance our competitive edge.	Medium	Medium	CC)Updating the BCP (Business Continuity Plan) and enriching training programs Taking measures like locating essential equipment such as substations, power distribution boards, and control panels on the second floor in new factories with potential water risks Diversifying the supply chain HO)Understanding and utilizing the risks of planned construction sites through hazard maps, etc., Diversifying the supply chain TL)Strengthening the backup of logistics data and implementing BCP measures such as operation management that considers the safety of drivers
		Drought	Medium to Long Term	CC) If the water resources essential for manufacturing containerboard cannot be secured upstream in the supply chain, the procurement of containerboard domestically is restricted. HO) In the event that wildfires occur at the source due to scarce rainfall and high average temperatures, restrictions on obtaining materials and soaring prices lead to increased expenses.	_	Medium	-	CC) Enhancing domestic BCP measures and strengthening trust relationships with overseas business partners HO) Promotion of diversification of material sourcing
	Chronic	Mean temperature Increase	Medium to Long Term	CO) The working environment at factories, business sites, construction sites, etc. deteriorates, resulting in a decline in productivity. Expenses for heat countermeasures increase.	CC) TL) Consumers' reduced opportunities to go out lead to increased demand for delivery services, ice confections, beverages, etc. HO)Demand for houses with high insulation and airtightness performance and ZEH-standard houses is increasing. Demand for renovations for energy creation and energy saving is also growing.	Medium	High	CO) Promotion of heatstroke prevention measures for employees HO) Promotion of sales of houses with high insulation and airtightness Promotion of installing solar power generation in houses Promotion of solar shading measures for windows

- Standards for Importance Assessment Using qualitative assessment,

High: The business	may cease operation	ons or undergo	significant d	lownsizing or o	expansion.

Medium: Some parts of the business are affected.

Low: The impact is negligible with almost no effect on the business.

– Timeline

Short term: Up to approximately three years from now Medium term: Until fiscal year 2030 (the target year for greenhouse gas emission reduction) Long term: Until fiscal year 2050

- Business Classification

CO) Common to Three Business CC) Corrugated Container and Display Carton Business TL) Transportation and Logistics Business

HO) Housing Business



2-5 Financial Impact Assessment

We assessed the fluctuations in costs impacting our group's FY2022 operating income as a result of financial impacts (risks) from climate change.

The risks evaluated were calculable carbon taxes, fossil fuel prices, and electricity prices for transition risks, and flood damage, storm surge damage, and business interruption for physical risks. Other factors such as fluctuations in raw material prices, increases in sales opportunities, and environmental investments are also anticipated, but are excluded due to the difficulty of estimation. The reference materials and estimation methods used for the evaluation are shown in Table 4, and the parameters used in the estimation are provided in Table 5.

Table 4 Reference Materials and Estimation Methods for Transition Risks and Physical Risks Table 5 Parameters Used for Estimating Transition Risks and Physical Risks.

Carbon Taxes	Calculated using the carbon taxes of developed countries that have declared net zero, as described in IEA WEO 2023*.
Fossil Fuel Prices	Estimated and calculated the prices of city gas, diesel oil, heavy oil A, and LPG based on the crude oil and natural gas price forecasts presented in IEA WEO 2023*.
Electricity Prices	Estimated and calculated using the rate of change from 2018 to 2030 based on the electricity price forecasts presented in IEA WEO 2019*. For 2050, we used the price from 2040.
Flood Damage**	Calculated and allocated the actual per capita values of depreciation, inventory assets, and building asset amounts for domestic Tomoku Group consolidated companies in FY2022.Identified and calculated the flood inundation depths from the 'Overlapping Hazard Map (as of March 29, 2024)', the damage rates from the 'Flood Control Economic Survey Manual (Draft) April 2020', the building damage rates from the 'Guide to Physical Risk Assessment in TCFD Recommendations', and the annual exceedance probabilities from the 'Technical Criteria for River Works - Practical Guide for Planning -' by the Ministry of Land, Infrastructure, Transport and Tourism.Regarding the increase rate of occurrence frequency, referred to the 'Proposal for Flood Control Plans based on Climate Change' by the Ministry of Land, Infrastructure, Transport and Tourism, and the 'Recommendations for Business Strategy Planning Utilizing TCFD' by the Ministry of the Environment. • Total Damage Amount per Location = Asset Value × Damage Rate × Number of Floors Adjustment × Annual Exceedance Probability • Financial Impact = Total Damage Amount per Location × Rate of Increase in Flood Occurrence (Base Year Increase Rate - Increase Rate per Scenario)
Business Suspension**	Calculated the actual added value per person per day for each domestic consolidated company of the Tomoku Group for FY2022, and similarly to flood damage assessment, identified and calculated business suspension and stagnation days based on inundation depth and the 'Flood Control Economic Survey Manual (Draft), April 2020' by the Ministry of Land, Infrastructure, Transport and Tourism. •Annual Average Loss from Business Suspension = Added Value Amount × (Business Suspension Days + Business Stagnation Days/2) × Annual Exceedance Probability of Flood Disaster •Financial Impact = Average Annual Loss from Business Suspension × Increase Rate of Flood Damage Occurrence Frequency per Scenario
Storm Surge Damage**	Similarly to flood damage, identified inundation depths and damage rates, and calculated based on the 'Cost-Benefit Analysis Guideline for Coastal Projects (Revised Edition)' by the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of Agriculture, Forestry and Fisheries, and 'A Study on the Simultaneous Occurrence Probability of Tsunami and Storm Surge' by the Japan Society of Civil Engineers (using an annual exceedance probability of 1/1000).Regarding the increase rate of occurrence frequency, referred to 'Climate Change Impact Assessment Report', and 'Recommendations for Business Strategy Planning Utilizing TCFD' by the Ministry of the Environment.

* International Energy Agency World Energy Outlook. The exchange rate of 131.5 yen per USD, as adopted in the IEA WEO 2023 report

** Calculated the annual average amount of damage

	Future Parameter	Aroo	Baseline Year (2022)	20	30	2050		
	(Units)	Area		4°C	1.5°C	4°C	1.5°C	
Transition Risks	Cabon Tax [USD/tCO2]	Developed Countries	0	0	140	0	250	
	Electriciry Price [USD/MWh]	Japan	216 (2018)	209	231	203 (2040)	232 (2040)	
	Crude Oil Price [USD/barrel]	World	98	85	42	83	25	
	Natural Gas Price [USD/Mbtu]	Japan	15.9	9.4	5.5	7.8	5.3	
Physical Risks	Rate of Increase in Flood Occurrence	Japan	1	3	1.7	4	2	
	Rate of Increase in Storm Surge Occurrence	Japan	1	1.3	1.2	2	1.2	



Financial Impact Analysis for Each Scenario

We applied the scenarios for 2030 and 2050 to the results in FY2022 (operating income, fossil fuel and electricity consumption) and predicted the financial impact amounts as risks.

Reduction Targets for Greenhouse Gas Emissions Assumed in the Analysis

[Corrugated Container and Display Carton Business]

We are currently working to switch all electricity used to electricity derived from renewable energy sources by 2030 and reduce greenhouse gas emissions by 50% compared to FY2013 through environmental measures for boilers and on-site work lifts.

[Transportation and Logistics Business**]**

We are currently working to switch all electricity used to electricity derived from renewable energy sources by 2030.

[Housing Business]

Since the greenhouse gas emissions are significantly lower than those of other businesses, we have adopted the results from FY2022.

Note: The opportunities and strategies shown in Tables 2 and 3 have not been considered in the forecast because they are difficult to estimate.

Assuming that the greenhouse gas emissions in 2050 are the same as those when the 2030 targets are achieved, we estimated the financial impacts (total for the three businesses) before and after achieving the targets for each of the 1.5°C and 4°C scenarios (Figures 4 and 5). Additionally, for 2050, where the impact is expected to be greater, we present the financial impacts for each of the three businesses in Figures 6 and 7.



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Figure 4 Financial Impact Assessment of the Total Three Businesses (1.5°C Scenario)

In the 1.5°C scenario, government policies such as carbon taxes have a significant impact, and this impact expands by 2050.

The fossil fuel prices from WEO2023 used in the scenario analysis show a significant increase in the baseline year (2022).

It is predicted that prices will significantly decrease relative to the baseline year in both 2030 and 2050 (see Table 5, since the rate of price decline is greater than that referenced in last year's financial impact assessment using WEO2022).

Figure 5 Financial Impact Assessment of the Total Three Businesses (4°C Scenario)





In the 4°C scenario, the impact of flood damage and the resulting business suspension becomes significant.

We conducted estimations of flood and storm surge damages and losses from business suspensions due to flooding, focusing on 38 domestic sites in the corrugated container and display carton business, 76 sites in the transportation and logistics business, and 106 sites in the housing business.

The damage from storm surges is negligible, however the flood damage and losses from business suspensions are expected to have an impact of around 6% on operating

Figure 6 Financial Impact Assessment for Each of the Three Businesses (1.5°C Scenario, 2050)



In the 1.5°C scenario (2050), government policies such as carbon taxes will significantly impact the corrugated container and display carton business, as well as the transportation and logistics business that consume a large amount of fossil fuels.

Even if we achieve our greenhouse gas emission reduction targets mainly through the switch to electricity derived from renewable energy sources, the impact is significant.

Figure 7 Financial Impact Assessment for Each of the Three Businesses (4°C Scenario, 2050)





In the 4°C scenario, the flood damage and the resulting business suspension will significantly impact the corrugated container and display carton businesses, as well as the transportation and logistics businesses, which have key locations nationwide.

We will strengthen our Business Continuity Plan framework and advance measures to ensure employee safety.

2-6 Strategy Summary

– Transition Risks and Opportunities

(Risks)

In both 2030 and 2050, under the 1.5°C scenario, due to the introduction of policies and regulations such as carbon taxes and restrictions on the use of fossil fuels, there is a risk of increased costs in the corrugated container and display carton business, which uses fossil fuels as boiler fuel, and in the transportation and logistics business, which uses fossil fuels as truck fuel.

In the future, if decarbonization technologies and infrastructure such as next-generation boilers and trucks that use green hydrogen become widespread, we will plan new investments to address this. We will also consider the possibility of complementing with carbon credits.

Since it is predicted that such technologies and infrastructure will not be sufficiently developed by 2030, for the time being, we will continue to implement practical measures that can be taken at present to reduce risks, such as switching to electricity derived from renewable energy sources, converting boilers from heavy oil to city gas, electrifying on-site work lifts, and improving truck fuel efficiency and loaded ratio.

(Opportunities)

In the corrugated container and display carton business, there is an anticipated opportunity for increased demand for recyclable and environmentally friendly corrugated container and display carton products as alternative materials due to plastic regulations.

In the housing business, there is an anticipated opportunity for growth in the market for houses featuring high insulation and airtightness, consuming less energy. In each business, we will seize business opportunities by promoting design and technological innovation.

- Physical Risks and Opportunities

(Risks)

Under the 4°C scenario in 2050, it is predicted that the scale and frequency of natural disasters will increase due to the intensification of extreme weather events. In each business, there are risks such as damage to production facilities and construction sites, disruptions of supply chains and lifelines, and employees being affected by disasters, leading to temporary suspension of production and sales, as well as delays in delivery dates and construction periods.

Additionally, the chronic rise in average temperatures raises concerns about the risk of deteriorating working environments and decreased productivity.

We aim to reduce risks by establishing and strengthening business continuity frameworks, such as reinforcing production and logistics backup systems, diversifying our supply chain, ensuring employee safety, improving working environments, and implementing an employee safety verification system.

(Opportunities)

In the corrugated container and display carton business, as well as in the transportation and logistics business, increased demand for delivery services, beverages, and disaster-related products is expected. In the housing business, even if temperatures continue to rise, the market for houses featuring high insulation and airtightness with low energy consumption is expected to grow, and we aim to secure business opportunities across all businesses.



3. Risk Management

Regarding risks related to climate change, the TCFD Disclosure Project Team, based on consultant advice, is selecting risks across the entire group, evaluating the financial impact amounts they may have, and considering necessary countermeasures.

Regarding critical climate change-related risks that are high priority or have a significant impact on our group, the TCFD Disclosure Project Team collaborates with the Sustainability Project Team to report to the Sustainability Committee. The Sustainability Committee deliberates on the response and reports to the Board of Directors.

In our group, the President and CEO serves as the person responsible for overall risk management. Important decisions and revisions regarding risk management policies are deliberated and decided by the Board of Directors.

Risks related to sustainability in general, including climate change, that have been assessed by the Sustainability Project Team and the TCFD Disclosure Project Team are requested to be addressed by each group company through the Sustainability Project Team and the Group Sustainability Liaison Meeting. Each company formulates and implements various ntermeasures. The Sustainability Committee receives reports from the Sustainability Project Team and verifies and manages the progress status. (Figure 8)

4. Metrics and Targets

Recognizing climate change as a significant management issue, our group sets greenhouse gas emissions (Scope 1 and 2) as a metric and has established targets for their reduction. On the other hand, since Japan's NDC may be revised based on the IPCC AR6 Integrated Report and the outcome documents of COP28, our group targets will also be reviewed as needed. Going forward, we will continue to promote the switch to electricity derived from renewable energy sources, fuel conversion, and the introduction of energy-saving equipment. Please refer to Table 6 for the short-term roadmap.

GHG Emissions Reduction Targets	Achieve a 50% reduction in greenhouse gas emissions (Scope1+2) by FY2030 relative to FY2013
Ratio of renewable energy sources in electricity usage	Achieve 100% by FY2030







Figure 6 Roadmap to FY2030 (Three Domestic Businesses)



Regarding overseas operations, excluding Sweden where renewable energy is already widespread, we will explore the potential introduction of electricity derived from renewable sources.



[FY2023 Results]

Greenhouse gas emissions (Scope 1 and 2) in FY2023 were reduced by approximately 18% compared to FY2013 (Figure 9).

Primarily at Tomoku (non-consolidated), a significant contribution has been made by switching to electricity derived from renewable energy sources corresponding to Scope 2. In the future, we will advance the introduction of electricity derived from renewable energy sources at our group companies, while further strengthening initiatives at Tomoku (non-consolidated), aiming to achieve our targets.

Figure 9 Tomoku Group Greenhouse Gas Emissions (Scope 1, 2)





In FY2023, the supply chain emissions (Scope 1+2+3) amounted to approximately 1,157 thousand tons (Figure 10).

According to the analysis of the supply chain emissions in FY2023, Scope 3 accounts for approximately 93% of total emissions, with roughly 70% of Scope 3 coming from Category 1 (Purchased Goods and Services) and approximately 18% from Category 11 (Use of Sold Products).

Category 1 predominantly consists of containerboard used as raw materials in the Corrugated Container and Display Carton Business, while Category 11 is primarily driven by the use of houses sold in the Housing Business. Scope 3 emissions are on a decreasing trend, mainly due to reductions in Category 1 (Figure 11).

Concerning emissions from containerboard, we applied IDEA Ver.2* for FY2021, the Japan Paper Association's** published data for FY2022, and for FY2023, we applied both primary data on purchases by Tomoku (non-consolidated) (approximately 47% of purchase quantity) and the Japan Paper Association's published data**.

Going forward, we will strive to secure understanding for expanding the collection of primary data to calculate emissions more accurately.

The high proportion of our Category 11 (Use of Houses Sold) is because our group's core Housing Business, Sweden House, has a primary energy consumption that falls significantly below energy-saving standards, yet the houses offer exceptional durability with a lifespan of 90 years, greatly exceeding that of standard houses.

We will continue to promote the design of houses with low BEI (Building Energy Index)—achieving an actual result of 0.61 in FY2022 and 0.58 in FY 2023—and strive to reduce emissions from housing use.

*Sustainable Management Promotion Organization

**'CO2 Emissions in the Life Cycle of Containerboard' by the Japan Paper Association, February 20, 2023



Figure 10 TOMOKU Group Supply Chain Emissions (Scope 1, 2, and 3)

Figure 11 Tomoku Group Greenhouse Gas Emissions (Scope 3)