

Environmental Performance

List of Targets and Actual Results for Environmental Conservation Activities

* Combined value of TECHNO ASSOCIE and TOBUTSU TECHNO (Tsuneyoshi Office and Yao Office)

Environmental aspect		Results in FY 2022	Targets in FY 2023	Results in FY 2023	Increase/decrease rate	Self evaluation *4	Targets in FY 2024
Increase the sale of environmentally friendly products and parts		11.92 billion yen (20.6% of overall sales)	At least 25.0% of overall sales	13.84 billion yen (24% of overall sales)	Increase in sales by 19.2 billion yen (share increase by 3.4%)	😊	At least 25% of overall sales
CO ₂ emissions* ¹ (Emissions intensity: CO ₂ emissions per 100 million yen of sales)		1280.8t (Emissions intensity: 2.15t/100million yen)	Emissions intensity 2.10 or less	1243.3t (Emissions intensity: 2.11t/100million yen)	decrease in emissions by 2.9% (improvement of emissions intensity by 0.04 points)	😊	Emissions intensity 2.05 or less
Breakdown	Electricity* ²	1102.9t		1061.0t	Down 3.8%		
	Gasoline, diesel fuel* ³	140.5t		144.4t	Up 2.8%		
	Consumption of kerosene and gas	37.4t		37.9t	Up 1.3%		
Final disposal rate (through waste recycling)		1.3%	Final disposal rate of 1.2% or less	1.1%	Down 0.2points	😊	Final disposal rate of 1.0% or less

*1 Coefficient of CO₂ emissions is in accordance with the "Ministry of the Environment: Draft Ver. 1.6 of Guidelines for Calculation Method of Greenhouse Gas Emission by Entities."

*2 Electricity means the electricity purchased from the electric company.

*3 Gasoline and diesel fuel are used for company vehicles and do not include consumption by consignment to transportation companies.

*4 Self-evaluation standards: Environmentally friendly products

😊=Achieved targets 😊=Although targets were not Achieved, share increased from previous year
 😞=Targets were not achieved and emissions increased from previous year

FY2023 Domestic Subsidiary Environmental Impact

Location	CO ₂ emission	Electricity consumption	Fuel consumption	Waste volume	Water consumption
	unit : ton	unit : MWh	unit : KL	unit : ton	unit : ton
TECHNO ASSOCIE	1121.4	2490.3	59.6	294.6	10.8
TOBUTSU TECHNO CO., LTD.	121.9	316.7	0.9	13.0	0.4
SILICONE TECHNO CO., LTD.	360.1	938.6	2.3	30.2	743.0
TSUKASA INDUSTRY CO., LTD.	128.6	219.9	1.7	20.0	715.0
Total	1732.0	3965.5	64.5	357.8	1469.2

■ FY2023 Overseas Subsidiary Environmental Impact

Location		CO ₂ Emission	Electricity consumption	Gasoline	Waste Volume	Water consumption
		unit: ton	unit: MWh	unit: KL	unit: ton	unit: ton
East Asia	TECHNO ASSOCIE TAIWAN CO., LTD.	13.9	24.5	1.4	—	346.5
	TECHNO ASSOCIE HONG KONG CO., LTD.	10.5	17.3	—	1.7	—
	TECHNO ASSOCIE (GUANGZHOU) CO., LTD.	57.0	93.5	18.6	15.3	889.0
	TECHNO ASSOCIE SHANGHAI CO., LTD.	70.9	116.4	22.2	0.0	—
	* NETTFORM TECHNOLOGY (SHANGHAI) CO., LTD.	2911.8	4,781.2	12.6	29.9	6,252.0
	* ACCURATE METAL MACHINING CO., LTD.	3495.1	5,739.0	19.6	231.1	5,980.0
	TECHNO ASSOCIE (DALIAN F.T.Z.) CO., LTD.	14.0	23.0	2.9	0.7	51.3
Southeast Asia	TECHNO ASSOCIE SINGAPORE PTE.LTD.	12.1	31.6	2.7	—	30.4
	TECHNO ASSOCIE VIETNAM CO., LTD.	17.7	31.5	12.1	0.1	2.1
	TECHNO ASSOCIE (THAILAND) CO., LTD.	14.2	30.3	23.3	0.03	—
	* TA AUTOMOTIVE PARTS (THAILAND) CO., LTD.	452.9	971.2	130.0	467.0	2,708.0
North America	T.A. AMERICA CORPORATION	144.9	393.5	27.6	449.5	890.0
	TECHNO ASSOCIE DE MEXICO, S.A. DE C.V.	450.0	1,105.3	65.6	133.3	2,687.0
Europe	TECHNO ASSOCIE CZECH s.r.o.	4.40	10.5	3.6	—	61.3
	TECHNO ASSOCIE EUROPE GmbH	—	—	3.3	—	—
Total		7669.4	13368.8	345.4	1328.6	19897.6

* " - " means that the data has not been collected.

* * Manufacturing location

Results in Fiscal 2023

We work to reduce the environmental impact associated with business activities while determining environmental goals for each fiscal year and formulating an implementation plan to achieve the goals. The Quality and Environmental Management Department is mainly committed to the introduction of energy-saving equipment such as LED lighting and fuel-efficient vehicles. Each business site also takes specific initiatives such as power-saving efforts including the turning off of lights when not in use and thorough control of the temperature of air conditioners, as well as regular patrols to check the status of waste separation and beautification and cleaning activities around the site.

We aim to reduce CO₂ emission in fiscal 2030 by 46% compared with fiscal 2013. CO₂ emissions in fiscal 2023 were 1,243 tons, a decrease of 697 tons, or 36%, from the fiscal 2013 level. We will continue to work on energy-saving activities as we anticipate increases in energy consumption due to the expansion of our business scale in the future. In addition, we are working on the reduction of waste through thorough sorting to promote recycling while aiming to reduce the final landfill rate. In fiscal 2023, the final landfill rate was 1.1% (a decrease of 0.2 points from the previous fiscal year) and we achieved the target of a final landfill rate of 1.2% or less.

We also aggregate data on environmental impact for our overseas bases and plan to set environmental targets and engage in activities to reduce environmental impact on a Group-wide basis in the future.

Target in Fiscal 2024

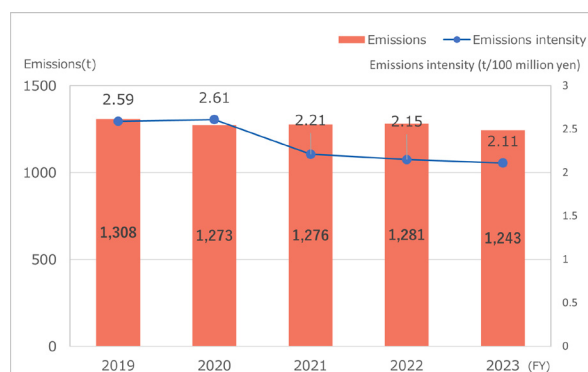
In fiscal 2024, we will continue to work on the reduction of CO₂ emissions, the promotion of waste recycling and the expansion of sales of environmentally friendly products and parts as main subjects. As to the reduction of CO₂ emissions for the prevention of global warming, while we aim to meet the target of keeping the per-unit emissions below 2.05 tons/100 million yen, our medium- and long-term target is to reduce CO₂ emissions by 46% from the fiscal 2013 level in fiscal 2030 as set by the Japanese Government to achieve carbon neutrality in the country.

With respect to waste, we will work to promote recycling by thoroughly sorting waste and reviewing disposal contractors and strive to achieve a final landfill rate below 1.0%.

Actual Results of Reduction Activities

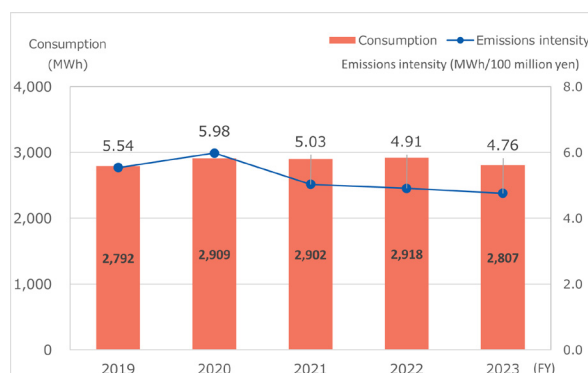
■ Reducing CO₂ Emissions

The use of electricity and gasoline by TECHNO ASSOCIE accounts for about 96% of the company's total CO₂ emissions. We are therefore focusing efforts on reducing their use. In fiscal 2023, setting an emissions intensity target of 2.10 t or less (per hundred million yen in sales), TECHNO ASSOCIE was actively involved in conserving electricity and also in cutting gasoline use. As a result, our annual emissions were 1,243 metric tons (a 3.0 % decrease from the previous fiscal year). The emissions intensity was 2.11 t/hundred million yen.



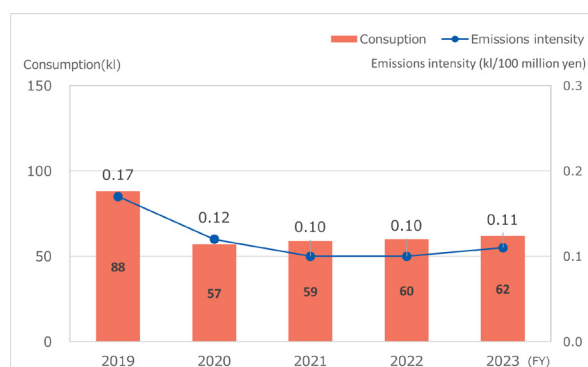
■ Reducing Electricity Consumption

TECHNO ASSOCIE strives to save energy by turning off lights during employee break times, managing air conditioner settings, and improving operational efficiency by reducing overtime, which includes the scheduling of 'no overtime' days. In fiscal 2023, while we set a target of reducing electricity use by 2.0% from the previous fiscal year, our power consumption decreased by 111 MWh (a decrease of 3.8% from the previous fiscal year) to 2,807 MWh. The per-unit electricity consumption was 4.76 MWh/100 million yen.



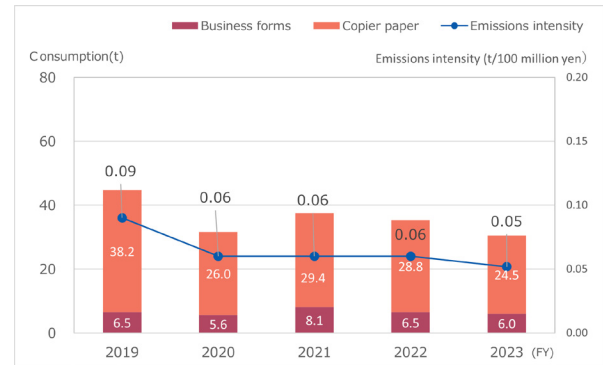
■ Reducing Gasoline and Diesel Fuel Consumption

TECHNO ASSOCIE nearly halved the number of commercial vehicles in its possession, which was 237 in 2009, to 111 in March 2024 by reviewing surplus vehicles, sharing company-owned vehicles, using rental cars or car-sharing, promoting the use of public transportation, and so on. However, gasoline consumption increased by 2.9% from the previous fiscal year to 62 kl. The ratio of cars that meet the Eco Standards (Fuel Efficiency Standards for fiscal 2020) in the number of cars owned is 97.1% in March 2023.



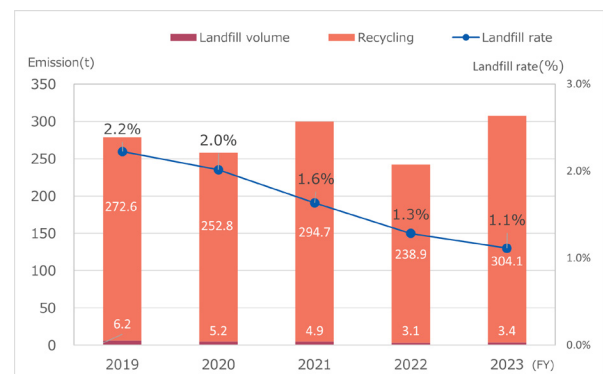
■ Reducing Paper Consumption

We are working to reduce the use of copy paper by using its backside and going paperless through the use of projectors at meetings, and in result, 30.5 tons of paper, including forms and slips, was used (a decrease of 13.4% year-on-year) in fiscal 2023 and 24.5 tons of it was copy paper (a decrease of 14.8% year-on-year).



■ Increasing Recycling and Reducing Waste

TECHNO ASSOCIE strives to reduce the waste it generates in offices by separating paper garbage as much as possible, and in warehouses by reusing cardboard boxes for packaging and using returnable boxes. In fiscal 2023, we set a final landfill rate target of 1.2% or less and switched to industrial waste disposal contractors with higher recycling capabilities. The final landfill volume was 3.4 tons, a 10.2% increase from the previous fiscal year, but we still met our target with a final landfill rate of 1.1%. The total amount of waste discharged was 307.5 metric tons (up 27.1% from the previous year).

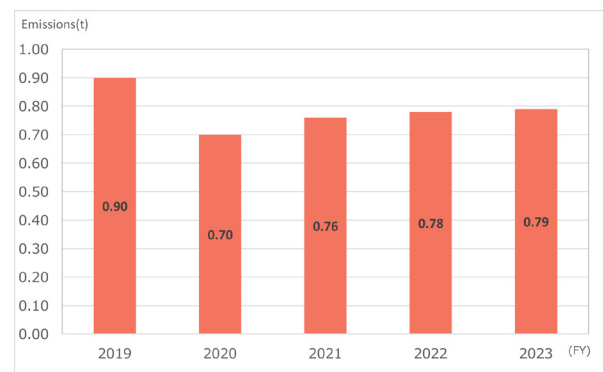


■ Managing and Reducing Chemical Substances

The Tsuneyoshi Office of our subsidiary Tobutsu Techno Co., Ltd. uses toluene, a substance restricted under PRTR*, for manufacturing thread-locking adhesive to prevent screws and bolts from loosening.

In fiscal 2023, toluene emissions were 0.79 tons (an increase of 1.7% year-on-year) due to the growth of the operation.

* PRTR: Under Japan's PRTR (pollutant release and transfer register) system, businesses handling a certain amount of any of the 354 substances designated by the authorities are obligated to report on the amounts of these substances that are released and/or transferred.



■ CO₂ Emissions in Scope 3

TECHNO ASSOCIE views environmental conservation efforts as a top-priority management issue. In order to realize a low-carbon society, we ascertain not only directly produced Scope 1 and 2 CO₂ emissions, but also emissions throughout the entire value chain.

Total CO₂ emissions in fiscal 2023 were 362,260 (t-CO₂).

The breakdown is as follows:

Scope 1 • • • 182 (t-CO₂)

Scope 2 • • • 1,061 (t-CO₂)

Scope 3 • • • 361,016 (t-CO₂)

and TECHNO ASSOCIE recognizes that Scope 3 has a considerable impact on CO₂ emissions, and Category 1 (purchased products and services: 98.4%), in particular, account for a large portion of emissions.

TECHNO ASSOCIE will continue to review the calculation methods and data extraction methods to improve accuracy.

Category		CO ₂ emission amount (t)	Proportion	Calculation method of Scope 3 (reason if not calculated)
Emissions from the Company				
	Scope 1 (direct emissions)	182.2	0.05%	
	Scope 2 (energy-derived indirect emissions)	1,061.0	0.29%	
Scope 3 (other indirect emissions)				
1	Purchased products and services	355,132.3	98.03%	Emission amount = CO ₂ emissions of purchased products = Cost of purchased products × emissions intensity * Calculated for each product classified according to "Input- Output Table- Based Emissions Intensity"
2	Capital goods	932.4	0.26%	Emissions = Amount expended by acquiring tangible fixed assets × Emissions unit value * Using the "emissions unit value per price of capital goods"
3	Fuel- and energy-related activities not included in Scope 1 or 2	99.4	0.03%	Emissions = Annual use of electricity × Emissions unit value * Using the "emissions unit value per use of electricity/heat."
4	Transportation and delivery (upstream)	4,344.3	1.20%	Emission amount = Externally paid logistics costs (shipping charges, warehousing, business outsourcing) × emissions intensity * Emissions intensity is determined according to "emissions intensity per unit of heat/electricity used"
5	Waste generated in operations	80.2	0.02%	Emissions = Amounts of waste generated × Emissions unit value * Using the "emissions unit value by type of waste."
6	Business travel	264.8	0.07%	Emissions = Business travel expenses paid (by mode of transport) × Emissions unit value * Using the "emissions unit value per transportation expenses paid by transport category."
7	Employee commuting	163.1	0.05%	Emissions = Transportation expenses paid for commuting (by mode of transport) × Emissions unit value * Using the "emissions unit value per transportation expenses paid by transport category."
8	Leased assets (upstream)	0	0.00%	Not calculated: Emissions from leased assets (commercial vehicles, PC, etc.) are calculated under Scope 1.
9	Transportation and delivery (downstream)	0	0.00%	Not calculated: Emissions from our warehouse activities are calculated under Scope 1. For commissioning to external warehouses, the calculation method will be considered in the future.
10	Processing of sold products	0	0.00%	Not calculated: Determines that it is outside of our control.
11	Use of sold products	0	0.00%	Not calculated: Because most of the sold products are processed/assembled (applicable to Category 10).
12	Disposal of sold products	0	0.00%	Not calculated: Sold products, if disposed of by returning to us, are calculated under Category 5. If disposed of due to the expiration of useful life after processing, sold products shall not be subject to calculation because they are outside of our control.
13	Leased assets (downstream)	0	0.00%	Not calculated: Not applicable
14	Franchises	0	0.00%	Not calculated: Not applicable
15	Investments	0	0.00%	Not calculated: Not applicable
	Others			