

Climate change-related information disclosure based on TCFD recommendations

Attitude

For many years, the Meiden Group has been aware of the major problem of climate change, and has worked to solve this problem through business. With regard to TCFD*, we endorsed the TCFD recommendations in June 2019, we began considering risks and opportunities according to the TCFD framework in 2020, and we are promoting the incorporation of this in our strategies.

* TCFD: Task Force on Climate-related Financial Disclosures established by the Financial Stability Board (FSB) .



Governance / Risk Management

Governance

In response to the issue of climate change as it relates to economic policies and the global situation, Meiden Group has tasked the manager in charge of promoting sustainability, an individual with superb insight honed through experience both within and outside the Group, with general implementation, while the Corporate Policy Planning Group's Sustainability Management Promotion Division uses its expertise on environmental policy and technology to formulate and enact strategies, create countermeasures for each category, and promote monitoring.

Furthermore, the Sustainability Management Strategy Committee and the Sustainability Management Promotion Committee handle all general matters involving sustainability and these two committees explore potential strategies for decarbonization. The manager in charge of promoting sustainability and the Sustainability Management Promotion Division both report on the content of meetings twice annually to the Board of Directors, and the Board oversees the validity

of plans and strategies as well as the state of implementation. Alongside these efforts and as a way of managing the progress of environmental activities within the Group, the Meiden Group Environmental Committee, which is chaired by a production manager, meets quarterly to uncover issues within the Company, set environmental goals, devise action plans, and discuss emergency responses in order to promote and monitor the deployment of concrete policies for environmental management.

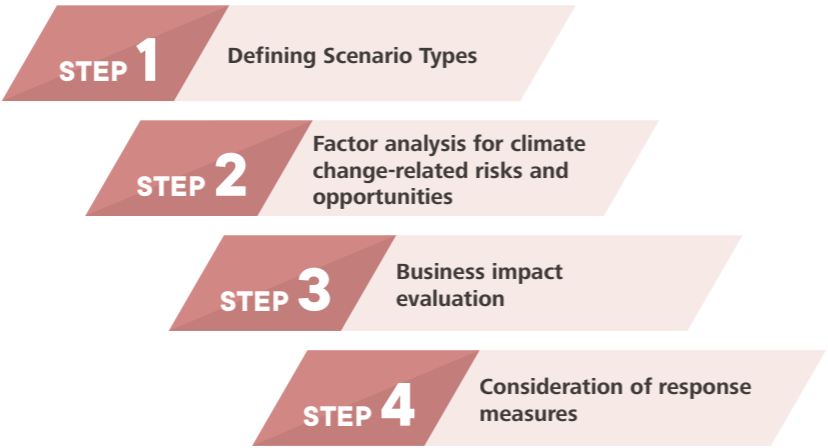
Risk Management

To manage sustainability-related risks, the Sustainability Management Promotion Division, which is charged with promoting sustainability management, operates centrally with relevant departments to extract risks. The details of those risks are incorporated into all the risks managed by the Governance Headquarters, which simultaneously manages a variety of risks, including those related to climate change.

Strategy

Analysis of Climate Change Scenarios

The Sustainability Management Promotion Division analyzes climate change scenarios in conjunction with the Accounting and Financing Group, the Corporate Governance Management Group, the Sales Planning & Administration Group, and other related internal groups. The examination process is divided into four parts, with analysis and evaluations conducted annually. At the same time, major factors that could impact business are identified, and identified risks, opportunities, and evaluations are reflected in our business strategy.

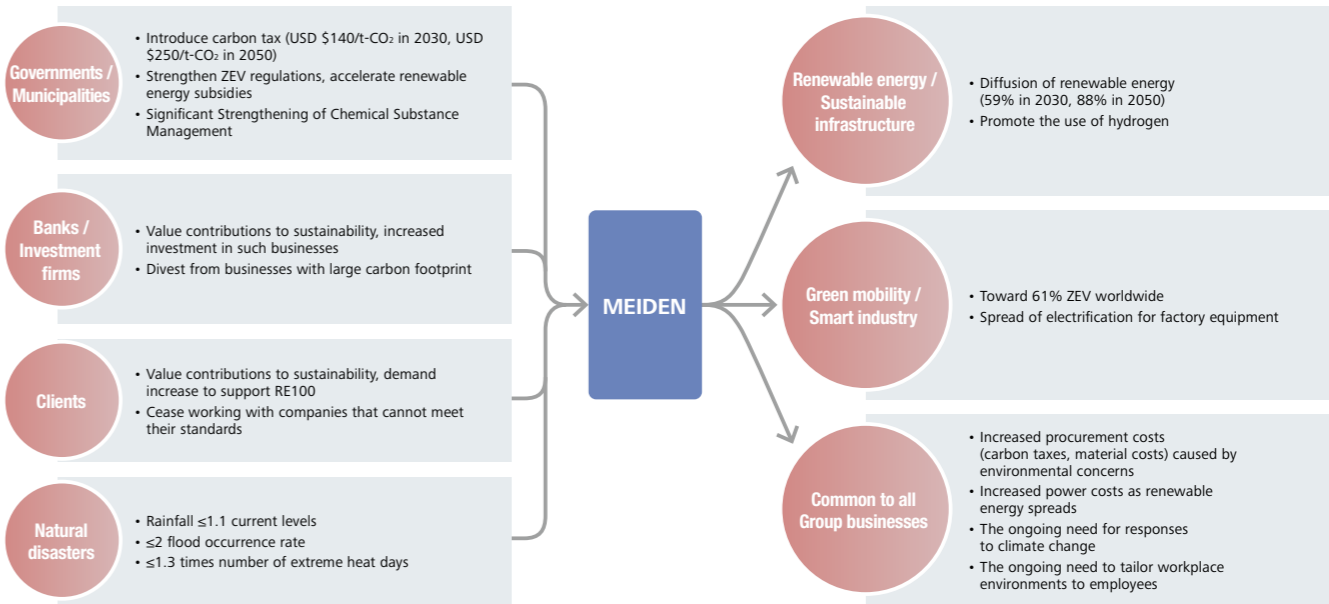


STEP 1 Defining Scenario Types

As recommended by TCFD, we selected multiple warming scenarios, including a scenario of less than 2°C, and conducted analysis accordingly. Based on the two scenarios of decarbonization (RCP1.9) and global warming (RCP4.5 and RCP8.5), we have compiled specific scenarios and global outlooks to accommodate each scenario using management frameworks, such as five forces analysis, based on internationally published data from the IEA, IPCC, etc., as well as numerical data published by Japanese government institutions, etc. We are reconstructing the global outlooks, scenarios, and numerical premises in the medium-to long-term forecasts from the current consolidated fiscal year through to 2050, the final fiscal year of the Meiden Group's long-term environmental targets.

| | Temperature range | Relevant scenario | Provider |
|--------------------------|-------------------|-------------------|----------|
| Decarbonization scenario | Less than 1.5°C | NZE2050 | IEA |
| | | RCP1.9 | IPCC |
| Global warming scenario | 2.5 to 4.0°C | STEPS | IEA |
| | | RCP4.5 | IPCC |
| | | RCP8.5 | IPCC |

Decarbonization scenario (RCP1.9) Broad growth in renewable energy and power marketplaces, with broad future development even as the shift to EV slows



STEP 2 Factor Analysis of Climate Change-related Risks and Opportunities

We identified risk and opportunity factors associated with climate change based on global outlooks for each scenario, while also referring to the risk and opportunities listed in the TCFD recommendations, then separated them by relevant scope both by business domain and for the Meiden Group as a whole before setting out timelines for specific risks and opportunities and the effects they will generate.

Defined timelines for evaluated climate-change related risks

| | Defined period | Related strategic and planning period |
|-------------|---|---|
| Short term | The 3-year period between FY2025 and FY2027 | The period pertaining to the environmental strategies, implementation plans, and FY2027 targets listed in Medium-term Management Plan 2027 |
| Medium term | Until FY2030 | The period pertaining to the environmental strategies, implementation plans, and FY2030 targets listed in the Third Meiden Environmental Vision |
| Long term | Until 2050 | The period pertaining to the national targets for Japan and the Meiden Group's long-term environmental targets |

Transitory Risk in Meiden Group's Major Focus Areas and Those Common to the Group (Opportunities and Risks Primarily in the Decarbonization Scenario)

| Major focus area / Common to Group | Risk/Opportunity factor | Social scenario | Opportunity / Risk for the Company | Period of effect | Target business / product / location |
|--|--|---|---|----------------------|---|
| Renewable energy Sustainable infrastructure | •Expanded government subsidies •Acceleration of technological development •Transition to a decentralized society | Expanded renewable energy ratio | Opportunity Expanded renewable energy business | Short- to long-term | Wind, hydroelectric, solar generation, energy storage related |
| | •Momentum for GHG emission reductions •Power companies shift toward decarbonization | Restrictions on chemical substances such as SF ₆ | Opportunity Expanded Power T&D business | | SF ₆ gas-free products, eco-friendly products |
| Smart industry Green mobility | •Momentum for GHG emission reductions •Expanded government subsidies | Decarbonization of the transport sector | Opportunity Expanded EV-related business | | EV business, Battery storage-related |
| Common to Group | •Change in stakeholder mindset | Increased customer demand for being carbon-free | Opportunity Increased demand for eco-friendly products and services | Medium- to long-term | eco-friendly products and services |
| | •Increased regulation | Introduction of a carbon tax | Risk Increased procurement and manufacturing costs | | |
| | •Expanded renewable energy ratio | Increased cost of industrial electricity | Risk Increased power procurement costs | | All companies |

Material Risks common to all Meiden Group companies (Risks Primarily in the Warming Scenario)

| Acute / Chronic risk | Risk / Opportunity factor | Social scenario | Risk for the Company | Period of effect | Target business / location |
|----------------------|------------------------------|--------------------------|--|---------------------|---|
| Acute risk | Rise in abnormal weather | Increased flood events | (Risk)Operations suspended, supply chain destroyed, Increased flood response costs | Short- to long-term | Manufacturing sites |
| Chronic risk | Rise in average temperatures | Worsened labor condition | (Risk)Increased site personnel costs | | Manufacturing, maintenance, Construction Business Units |

STEP 3 Business Impact Evaluation

We evaluated the impact on business based on the global outlooks for each scenario set out in Step 1 and the opportunities and risks defined in Step 2. During this process, we screened for matters with a particularly large impact on businesses by focusing on the two axes of “impact on operating income” and “likelihood of occurrence in an event” that are the target of the FY2030 milestones set out in the Third Meiden Environmental Vision, and then conducted detailed analyses of these matters. We assessed market order values (values before countermeasure involvement) based on the rate of market growth in each scenario for each large-impact item. These were quantitatively calculated using partial assumptions, and items with unachievable calculations were organized qualitatively.

Evaluation axes for selection of risks and opportunities (FY2030)

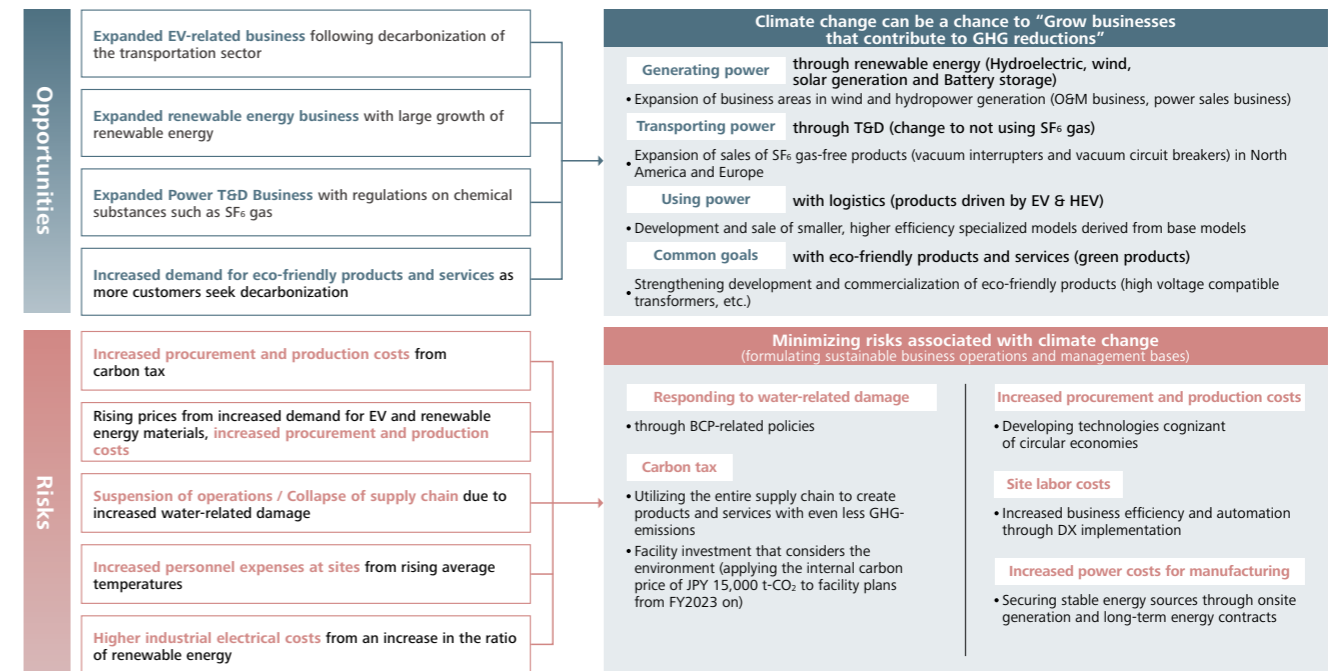
| | | |
|--|------------|---|
| Impact on operating income (estimate) | Very large | ±10 billion yen or more |
| | Large | ±1 billion yen or more |
| | Medium | ±0.1 – 1 billion yen |
| | Small | ±less than 0.1 billion yen |
| likelihood of occurrence in an event in FY2030 | Large | High probability of occurrence |
| | Medium | Occurrence is possible, but cannot be predicted with confidence |
| | Small | Only occur in the scenarios |

| | Opportunities and risks for our Company | Target Business / Product / Location | Calculation formula | Impact on FY2030 Decarbonization scenario (RCP1.9) | operating income Global warming scenario (RCP4.5, 8.5) |
|---|---|---|---|--|--|
| Decarbonization of the transport industry | Expanded EV-related business | EV business/Battery storage-related | Recent average sales × ZEV stock growth ratio | Large | Small |
| Expanded renewable energy ratio | Expanded renewable energy business | Wind/Hydroelectric/ Solar generation/ Battery storage-related | Recent sales × growth rate of domestic renewable energy | Small | Small |
| Restrictions on chemical substances such as SF ₆ gas | Expanded Power T&D business | SF ₆ gas-free products/ Eco-friendly products | Recent sales of relevant products × VCB market growth rate | Medium | Medium |
| Increased customer demand for being carbon-free | Increased demand for eco-friendly products and services | Eco-friendly products and services | * Cannot calculate at this time because eco-friendly products standards are being revised | — | — |
| Introduction of a carbon tax | Increased procurement and manufacturing costs | All companies | 2030 Scope 1, 2 emissions × carbon tax 2030 Scope 3 Category 1 emissions × carbon tax | 10.6 billion | N/A |
| More water-related disasters | Suspension of operation/Collapse of supply chain Increased costs to respond to water-related disasters | Production sites | Assumed cost of each incident in 2030 using Ministry tools × occurrence rate in each scenario, etc. | Large | Large |
| Worsening working environments | Increased personnel expenses at sites | Manufacturing/ Maintenance/ Construction service business units | Number of site personnel in 2030 × medical and health-care costs | Small | Small |
| Increased cost of industrial electricity | Increased power procurement costs | All companies | Power usage in 2030 × rising cost of industrial power | Medium | Medium |

Rate of occurrence Large Medium Small

STEP 4**Consideration of Response Measures**

Based on the market order values calculated in Step 3, we considered strategies to grasp opportunities and measures to mitigate risks according to the Company's situation.

**Metrics and Targets**

In November 2021, the Meiden Group pledged to reach RE100 by 2040 and carbon neutrality by 2050 as our long-term targets. In FY2021, we also released the Second Meiden Environmental Vision with upwardly revised GHG emission reduction targets for scopes 1, 2, and 3 by FY2030 as medium-term targets. We then formulated the Third Meiden Environmental Vision with new targets that correspond to the 1.5°C scenario as part of Medium-term Management Plan 2027 that began

in FY2025 and also set targets for FY2027, the final year of the Medium-term Management Plan, as short-term targets. To date, our Scope 3 reduction targets have been applied to reduction targets for Category 11 “use of sold products,” the category with the highest emission levels, but the Third Meiden Environmental Vision set new reduction targets for all categories. Additionally, these targets were certified by the SBT (Science Based Targets) initiative in March 2025.



*SBT Initiative: An international initiative by the United Nations Global Compact (UNGC), the Worldwide Fund for Nature (WWF), the CDP, and the World Resources Institute (WRI).

Future Path

Although we have identified the growth opportunities and risks facing the Meiden Group through analysis of scenarios based on the TCFD recommendations, in most instances, calculation of impact is merely a rough estimate, and further precision is needed. Furthermore, we are promoting response to climate-related metric categories across multiple industries in the TCFD recommendations, which require new disclosure.

the Third Meiden Environmental Vision targets (each target and achievement as compared to FY2019 values)

| | FBY2024 | | FY2025 | | FY2027 | FY2030 |
|---|----------------------------|-----------------------------|--------------------------------|---------------|--------------------------------|--------|
| | Plan | Actual | Plan | Plan | Plan | Plan |
| Emissions from business activities (Scope 1+2) | 6% reduction | 15% reduction | 30% reduction | 40% reduction | 50% reduction | |
| Other companies' emissions related to business activities (Scope 3) | 6% reduction (Category 11) | 11% reduction (Category 11) | 20% reduction (all categories) | | 30% reduction (all categories) | |

We have also incorporated some sustainability-related indicators into the evaluation standards for determining director compensation (except Audit and Supervisory Committee Members and outside directors) and are currently exploring integrating environmental indicators into future incentive packages in order to increase the effectiveness of advancing sustainability management.