



# E Environment

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At Mitsuuroko Group, we are developing a variety of businesses to realize a low-carbon society.  
By expanding our mainstay Energy Solutions Business and the Power & Electricity Business, which could become our next pillar, we will contribute to the realization of a low-carbon society.  
We believe that this is the role we can play as a corporate citizen.  
Mitsuuroko Group will continue to help each and every customer lead more fulfilling lifestyles while maintaining close stewardship of natural resources and the environment, for the sake of future generations and the Earth.

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## Main target management indicators (KPIs)

Materiality	KPI	Quantitative target	Target year
Contribution to the environment	The Company's CO <sub>2</sub> emissions reduction rate	Carbon neutral*	FY2050 target
Contribution to the environment	Customers' CO <sub>2</sub> emissions reduction rate	Carbon neutral*	FY2050 target

\* Carbon neutral: Virtually zero emissions, calculated by subtracting the amount absorbed by plants, etc. from CO<sub>2</sub> emissions



# Environmental Management

## Basic approach

As a corporate group that is responsible for the supply of energy, Mitsuuroko Group works to appropriately identify the impact that its business activities have on climate change and natural capital. Furthermore, along with “environmental preservation” as set forth in the Charter of Corporate Ethics, the Group is working together on initiatives to realize a sustainable society.

### Charter of Corporate Ethics (extract)

#### Contribute to the preservation of the global environment and the creation of a prosperous and livable society

Mitsuuroko Group recognizes that it receives various benefits from the Earth, including the resources necessary for its business activities, and that it is the Group's responsibility to preserve and improve the global environment.

## Environmental policies

### 1 Compliance of environmental laws and regulations

Fulfill our social responsibility by complying with environmental laws, ordinances, and agreements.

### 2 Response to climate change

Reduce greenhouse gas emissions, promote the efficient and sustainable use of energy, and strive to develop and provide products and services that contribute to climate change mitigation and adaptation.

### 3 Prevention of environmental pollution

Strive to prevent and reduce the impact of environmental pollution from chemical substances and oil, reduce emissions of air pollutants, and reduce and properly dispose of toxic waste and wastewater.

### 4 Advancing resource circularity

Strive for sustainable use of resources (fossil fuels, minerals, food, plastics, plants and animals, etc.) in the supply chain of our business activities and products.

### 5 Conservation and effective use of water resources

Strive to reduce water consumption through efficient water usage and recycling, and to properly dispose water.

### 6 Biodiversity conservation

Recognize the benefits of ecosystem services, minimize their impact on biodiversity, and contribute to their conservation.

### 7 Disclosure of information and communication

Make active efforts to disclose information on the environment and promote communication with society.



# Environmental Risk Management

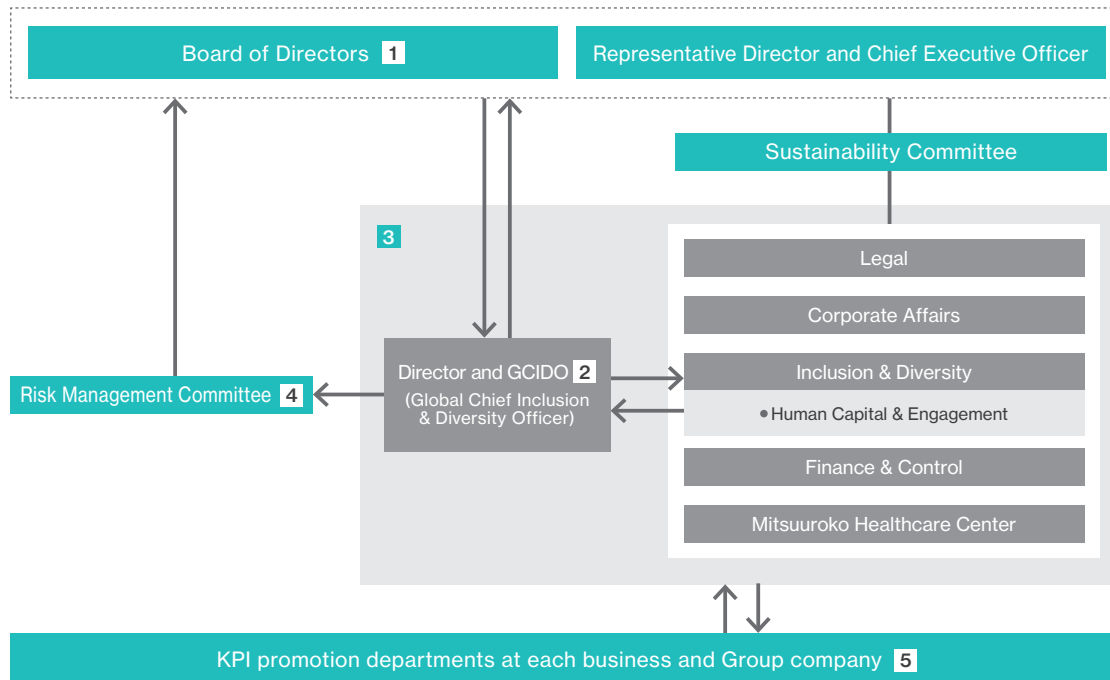
## Environment-related governance and risk management system

The Company recognizes the preservation of the global environment as an important management issue, determines policies for addressing environmental issues, and oversees their status. Specifically, the Director and GCIDO reports periodically (at least once a year) to the Board of Directors on the Group's risks

and opportunities related to environmental issues as well as their status. Based on these reports, the Board of Directors determines policies and targets (KPIs) for addressing environmental issues. Additionally, during the Board of Directors' regular monthly meetings, the Director and GCIDO provides updates on the progress

of initiatives aimed at addressing climate change policies and meeting Key Performance Indicators (KPIs). These updates are included as a vital component of the corporate governance report, and the Board of Directors oversees them accordingly.

## Environment-related governance and risk management system



Roles	
1	The Board of Directors identifies material issues concerning risks and opportunities related to the environment, determines the policies and targets (KPIs) for addressing them, and supervises them.
2	The GCIDO reports to the Board of Directors on risks and opportunities, their status, and progress of KPIs. If new risks or events that may impact the achievement of KPIs are discovered, they are reported to the Risk Management Committee.
3	The GCIDO works together with Legal, Corporate Affairs, Inclusion & Diversity, Finance & Control, and the Mitsuuoko Healthcare Center to extract and evaluate risks and opportunities, and monitor progress of KPIs.
4	The Risk Management Committee evaluates and analyzes such risks and events, and reports to the Board of Directors.
5	The KPI promotion departments at each business and Group company report on the status of initiatives and progress of KPIs via corporate governance reports to the Board of Directors.

# Climate Change Initiatives

## Basic approach

In terms of climate change initiatives, as an entity responsible for stable supply in regions, Mitsuuroko Group aims to harness its comprehensive power embedded in these regions to maintain and improve supply infrastructure, ensuring supply is also available during emergencies, while implementing various initiatives that align with the diversification of customer needs and desire for choices. All of Mitsuuroko Group is engaging in climate change initiatives to achieve a sustainable society through reducing CO<sub>2</sub> emissions, promoting renewable energy, and reducing fuel consumption. For customers who are focused on reducing CO<sub>2</sub>, we offer environmentally friendly electricity plans that stipulate the use of renewable energy. In addition, we utilize monitoring information from remote automatic meter readings, and provide a delivery operation streamlining solution that proposes the optimal delivery plans.

## TCFD

### Mitsuuroko Group's climate change initiatives

Mitsuuroko Group considers the TCFD recommendations an effective framework for disclosing information and engaging in dialogue with stakeholders in regard to climate change issues. We announce our endorsement of the TCFD recommendations, and in accordance with the recommendations, we disclose information on the impact of climate change on the Group's business activities and the measures we are taking in response. The Company also participates in the TCFD Consortium\*, which discusses initiatives for information disclosure on climate change response in accordance with the TCFD recommendations.



\* The TCFD Consortium:  
A consortium established in May 2019 and led by the private sector to discuss effective disclosure of information by companies in response to climate change and measures to link the disclosed information to appropriate investment decisions by financial institutions and other parties. The Ministry of Economy, Trade and Industry, the Financial Services Agency, and the Ministry of the Environment participate as observers.

### Governance and risk management

The Company recognizes climate change as an important management issue, and the Board of Directors determines policies for addressing climate change and oversees their implementation under the environment-related governance and risk management system. Specifically, the Director and GCIDO works together with Legal, Corporate Affairs, Inclusion & Diversity, Finance & Control, and the Mitsuuroko Healthcare Center to analyze materiality, extract and evaluate climate change-related risks and opportunities, and identify material issues concerning such risks. In addition, the Director and GCIDO reports periodically (at least once a year) to the Board of Directors on the Group's risks and opportunities related to climate change as well as their status. Based on these reports, the Board of Directors determines policies and targets (KPIs) for addressing climate change. For KPIs that are established, each department in charge of KPI promotion reports on the progress in a corporate governance report that is submitted monthly to Finance

& Control, and Inclusion & Diversity and Finance & Control monitor the progress. At regular monthly meetings of the Board of Directors, the Director and GCIDO reports on the status of initiatives based on the policies and targets (KPIs) progress as one of the items in a corporate governance report, and the Board of Directors supervises accordingly. If new risks or events that may impact the achievement of KPIs are discovered, each department reports them to the Director and GCIDO. The Director and GCIDO then report these matters to the Risk Management Committee, which is chaired by the Representative Director. The Risk Management Committee evaluates and analyzes such risks and events, reporting them to the Board of Directors. Based on these reports, the Board of Directors identifies new material issues, then determines policies and targets (KPIs), and supervises them accordingly.

## Climate Change Initiatives

### Strategy

The Group assumes climate change to have a significant impact on its Energy Solutions Business and Power & Electricity Business. For these businesses, we have begun analyzing the below 2°C scenario, which is associated with high transition risks, and the 4°C scenario, which is associated with high physical risks. With FY2050 as the target, we are examining the opportunities and risks that may arise under these scenarios as well as response measures. The below 2°C scenario assumes that the climate will not change significantly compared to its current state due to the tightening of environmental restrictions. The 4°C scenario assumes that decarbonization and carbon reduction efforts fail to advance, leading to an increase in physical risks such as those due to natural disasters. Going forward, we will evaluate the impacts under each scenario and conduct scenario analysis for other businesses, taking the results into account in the formulation of our management plans.

### Indicators and targets

The Group's GHG emissions in FY2023 were approximately 5.44 million t-CO<sub>2</sub>eq. 99.1% of the emissions were Scope 3, of which 50.8% was attributed to customer gas, electricity, and product usage and 38.2% was attributed to related procurement operations. Scope 1 and Scope 2 emissions were attributed to the business activities' vehicle operation (gas delivery vehicles and company cars) and gas and electricity usage within the Company.

### Breakdown by Scope

		Greenhouse gas (GHG) emissions	Percentage	CO <sub>2</sub> emissions reduction target
Scope 1	Gas delivery vehicles and company cars	★ 27,982t-CO <sub>2</sub>	0.5%	Carbon neutrality by FY2050
Scope 2	The Company's electricity usage	★ 21,239t-CO <sub>2</sub>	0.4%	
Scope 3	Energy procurement and customer usage	★ 5,392,937t-CO <sub>2</sub> eq	99.1%	

★ marked indicators are independently assured by KPMG AZSA Sustainability Co., Ltd. For Scope 3 emissions, the Company's category 1 (★575,004 t-CO<sub>2</sub>eq), category 3 (★2,059,946 t-CO<sub>2</sub>eq), category 4 (★18,677 t-CO<sub>2</sub>eq), and category 11 (★2,739,311 t-CO<sub>2</sub>eq) emissions have each been assured as well as the total of these four categories. (See pages 35–36 for information on the calculation standard)

To reduce Mitsuuroko Group's direct CO<sub>2</sub> emissions (Scope 1 and Scope 2), the Group is automating remotely obtained data meter readings for LPG and working to streamline delivery operations (reduction of truck operating time and travel distance), eliminate complicated deliveries, and promote eco-driving activities. We are also changing to electric vehicles (EVs) for company cars and increasing the amount of renewable energy and environmentally friendly energy sources we handle. In addition, to contribute to the reduction of CO<sub>2</sub> emissions in our supply chain (Scope 3), we are expanding our meter readings service and delivery operation streamlining services powered by SmartOWL<sup>®</sup>, transitioning to high-efficiency equipment (ECO FEEL, fuel conversion systems, ECO-JOZU, ECO ONE), and promoting the Mitsuuroko Green Plan.



## Climate Change Initiatives

### FY2023 initiatives to reduce CO<sub>2</sub> emissions

In the Energy Solutions Business, we have promoted the expansion of our meter readings service and delivery operation streamlining service powered by SmartOWL®, and are transitioning to high-efficiency equipment for our existing customers. We are also improving fuel efficiency during deliveries by eliminating complicated deliveries, and shortening travel distances and reducing fuel consumption through eco-driving activities.

In the Power & Electricity Business, we are expanding the provision of the Mitsuuroko Green Plan.

In the Foods Business, we are promoting the use of label-less PET bottles, plastic-free products (paper straws and wooden muddlers), and recycled products made from preforms (raw materials of PET bottles).

In the Living & Wellness Business, we have worked continuously to expand renewable energy electricity contracts in common areas of owned properties and switched to energy-saving equipment and water-saving facilities. Moreover, our employees acquired real estate assessor qualifications for CASBEE (Comprehensive Assessment System for Built Environment Efficiency), a method for evaluating and rating the environmental performance of buildings. EAS café is also promoting a plastic-free service, replacing 100% of drinking straws and cups with paper ones and 50% of cutlery with wooden ones. We are also working on reducing food mileage\*, and offer products purchased from local stores in Yokohama-shi or vegetables hydroponically grown in the stores.

In FY2024, we will continue to implement and expand the above initiatives in each business.

\* This thinking focuses on the impact on the global environment of CO<sub>2</sub> emitted from the transportation of food.



## Climate Change Initiatives

### Climate-related opportunities and risks, and their response measures

Scenario	Category	Classifications of factors	Opportunity/Risk	Risks and opportunities	Direction of response and measures
Below 2°C	Transition risk	Administrative policies and laws	Risk	Tightening of fossil fuel regulations and operating cost increases due to carbon taxes (Estimated cost increase: approx. ¥1,600 million/year*) ( Carbon tax (for developed countries including Japan) is projected to rise to US\$135/t-CO <sub>2</sub> by 2030 and US\$200/t-CO <sub>2</sub> by 2050*2 )	<ul style="list-style-type: none"> <li>Carbon neutrality by FY2050</li> <li>Participate in TSE's Carbon Credit Market</li> <li>Automate remotely obtained data meter readings for LPG</li> <li>Reduce truck operating time and travel distance by streamlining delivery operations</li> <li>Promote eco-driving activities</li> <li>Change to EVs for all company cars by around 2030</li> <li>Increase amount of renewable energy and environmentally friendly energy sources handled</li> </ul>
			Opportunities	Increase sales in the Power & Electricity Business due to increased demand for renewable energy ( Renewable energy is expected to comprise 58% of Japan's energy mix by 2050*2 )	<ul style="list-style-type: none"> <li>Spread natural renewable energy and promote the installation of energy-saving housing equipment</li> <li>Sell natural renewable energy not dependent on traditional fossil fuels and other new energy equipment such as storage batteries, and provide services such as the "Mitsuuroko Green Plan"</li> </ul>
		Risk	Decrease in sales for LPG and petroleum products ( Petroleum demand in Japan is expected to fall by 78% by 2050 compared to 2022*2 )		
		Market and technology	Opportunities	Reduction of future in-house power generation costs if the Company establishes plants that take advantage of developments in renewable energy production technologies ( Solar power generation costs are expected to drop by 50% by 2050 compared to 2022*2 )	<ul style="list-style-type: none"> <li>Establish own plants that utilize the newest developments in renewable energy production technologies and increase amount of renewable energy sources handled</li> <li>Utilize PPA model*3 and increase solar power generation</li> <li>Focus on popularizing EVs and promote the development of 100% renewable energy EV charging infrastructure</li> <li>Expand the installation of storage batteries and strengthen ability to adjust electricity supply and demand</li> <li>Focus on transitioning from FIT system to FIP system*4 and launch renewable energy aggregation business</li> </ul>
			Risk	Increase in costs to meet the rising expectations of investors and the market in respect to corporate climate change initiatives (Financing costs and communication costs)	<ul style="list-style-type: none"> <li>Actively work to meet the changing expectations of investors and the market</li> <li>Proactively engage in ESG-related initiatives and enhance relevant information disclosures</li> <li>Focus on sales of new energy equipment, including high-efficiency water heaters, distributed demand appliance ENE-FARM, solar power and storage batteries, to contribute to reducing customers' CO<sub>2</sub> emissions</li> </ul>
		4°C	Physical risk	Acute	Risk

\*1 The cost increase for business operations due to the impact of carbon tax is calculated as below:

2050 Carbon tax of US\$200/t-CO<sub>2</sub> is based on the International Energy Agency's publication, "World Energy Outlook 2023".

Mitsuuroko Group's CO<sub>2</sub> emissions (t) in 2023 × US\$200/t-CO<sub>2</sub> × exchange rate (¥/\$)

\*2 Each estimation is based on the calculations in "World Energy Outlook 2023."

\*3 PPA model: A business model in which business operators install, manage, and maintain solar power systems on the roofs of consumers' offices free of charge. Consumers then purchase the electricity that is generated. PPA stands for Power Purchase Agreement

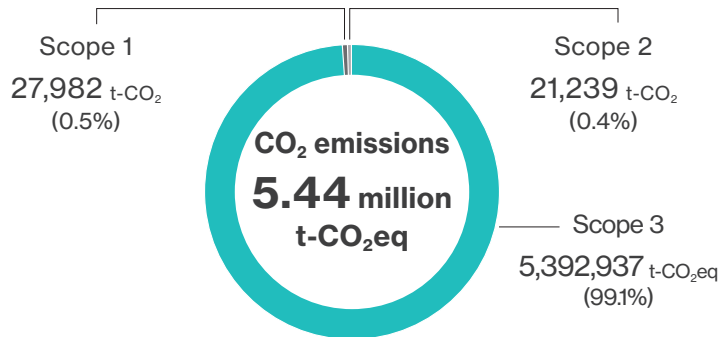
\*4 FIT: A system where power companies purchase electricity from renewable energy sources at a fixed price for a fixed period of time. FIT stands for Feed in Tariff  
FIP: A system where power generation business operators that produce electricity from renewable energy sources and sell it in wholesale markets or through over-the-counter trading are granted a premium equivalent to the difference in the standard price (FIP price) and the market price. FIP stands for Feed in Premium

# Environmental Impact of the Value Chain

The Group's GHG emissions in FY2023 were approximately 5.44 million t-CO<sub>2</sub>eq.

99.1% of the emissions were Scope 3, of which 50.8% was attributed to customer gas, electricity, and product usage and 38.2% was attributed to related procurement operations.

Scope 1 and Scope 2 emissions were attributed to the business activities' vehicle operation (gas delivery vehicles and company cars) and gas and electricity usage within the Company.



Suppliers

## Input of resources and energy

### Main raw materials and fuels

LPG	300,068 t
Gasoline	242,975 kL
Heating oil	327,646 kL
Diesel fuel	94,174 kL



Business activities

### Main raw materials and fuels

LPG	1,981 t
Gasoline	960 kL
Heavy oil	4,669 kL
Heating oil	149 kL
Diesel fuel	794 kL
Piped gas (City gas)	2,216 thousand Nm <sup>3</sup>
Electricity	53,431 thousand kWh
Warm water	1,746 GJ
Cold water	5,915 GJ
Steam for industrial use	1,115 GJ



Customers

## Environmental Impact of the Value Chain

### External emissions

Greenhouse gas emissions		
Scope 3	Category 1	★ 575,004 t-CO <sub>2</sub> eq
	Category 3	★ 2,059,946 t-CO <sub>2</sub> eq
	Category 4	★ 18,677 t-CO <sub>2</sub> eq

Greenhouse gas emissions		
Scope 1		★ 27,982 t-CO <sub>2</sub>
Scope 2		★ 21,239 t-CO <sub>2</sub>

Waste volume		
Industrial waste	Generated volume	12,694 t
	Recycled volume	3,994 t
	Final disposal volume	8,700 t
Toxic waste	Generated volume	1 t
	Recycled volume	-
	Final disposal volume	1 t

Greenhouse gas emissions		
Scope 3	Category 11	★ 2,739,311 t-CO <sub>2</sub> eq

### Initiatives

- Reducing CO<sub>2</sub> emissions from LPG delivery with the delivery operation streamlining solution powered by SmartOWL®
- Promoting the Mitsuuroko Green Plan
- Eliminating mineral water PET bottle labels and eliminating plastic from restaurants

- Improving delivery efficiency with SmartOWL®

- Switching sales vehicles to fuel-efficient vehicles (including EVs), eliminating complicated deliveries, and promoting eco-driving

- Promoting the Mitsuuroko Green Plan

- Expanding use of renewable energy in common areas of owned properties

- Promoting sales of high-efficiency water heaters

★ marked indicators are independently assured by KPMG AZSA Sustainability Co., Ltd. The Company has received independent assurance report since FY2020. For more information, please refer to the Sustainability Report of previous year. The basis for the calculations is as follows:

The boundary covers Mitsuuroko Group Holdings Co., Ltd. and its consolidated subsidiaries. Carl's Jr. Japan, Inc., which was excluded from the scope of consolidation of Mitsuuroko Group Holdings Co., Ltd. in July 2024, is not included in the calculation of CO<sub>2</sub> emissions. Scope 1 and 2 emissions include only CO<sub>2</sub> emissions, while scope 3 emissions include GHG emissions other than CO<sub>2</sub>. GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials. Scope 1: CO<sub>2</sub> emission factor of fuel and the unit calorific value are based on the coefficients specified in the Act on Promotion of Global Warming Countermeasures. Scope 2: CO<sub>2</sub> emission factors of electricity are based on the adjusted emission factors by each of specific electric utility business operators for Japan and the specific emission factors published by power companies for overseas.

Scope 3: Each emissions intensity is referenced from the Act on Promotion of Global Warming Countermeasures; the Ministry of the Environment's "Database on Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain"; and the Inventory Database for Environmental Analysis version 3.1 (IDEAv3.1) for calculating supply chain greenhouse gas emissions, published by the Sustainable Management Promotion Organization.

Category 1: Calculated by multiplying the amount (physical quantity) of petroleum-derived fuel and piped gas (City gas) procured for sales by the emission intensity for each fuel type specified in IDEAv3.1.

Category 3: GHG emissions derived from the extraction, production, and transportation of fossil fuels used in the production of electricity for sales purposes and the production of energy purchased for in-house use. Emissions from "electricity for sales purposes" are calculated by multiplying the amount of electricity sold by the basic emission factor of Mitsuuroko Group conducting retail electricity business and the emission intensity database figure. Emissions from "in-house electricity consumption" are calculated by multiplying the amount of electricity used for in-house consumption by the emission intensity database figure. Emissions from "in-house fuel consumption" are calculated by multiplying the amount of fuel used for in-house consumption by the fuel emission intensities specified in IDEAv3.1 for each fuel type.

Category 4: Upstream transportation emissions are calculated by multiplying the transportation volume (t-km), which is the product of the cargo weight and the distance transported, by the IDEAv3.1 emission intensity for each transportation type. For shipping and transportation, fuel consumption is multiplied by the emission intensity from the Ministry of the Environment database.

Category 11: Calculated by multiplying the sold volume (physical quantity) of petroleum-derived fuel and piped gas (City gas) by their respective fuel-specific calorific values and CO<sub>2</sub> emission factors.

# Response to Climate Change

## Controlling customer CO<sub>2</sub> emissions

### Promotion of high-efficiency gas equipment

We seek to contribute to the reduction of CO<sub>2</sub> emissions and the prevention of global warming through the promotion of high-efficiency gas equipment, proposing and selling efficient products with high added value. Aiming to meet our customers' diverse needs and preferences, these products include latent heat recovery-type high efficiency water heaters for domestic use called "ECO-JOZU," which reduce CO<sub>2</sub> emissions by approximately 16% compared to conventional heaters, as well as "ECO ONE," a hybrid hot water and heating system that combines a heat pump water heater with "ECO-JOZU," achieving an approximately 40% reduction in CO<sub>2</sub> emissions.



Hybrid hot water and heating system "ECO ONE"

### Promotion of residential-use fuel cell "ENE-FARM"

For the promotion of the new energy solutions business, we are working to improve energy efficiency through a local power production and consumption approach centered on the best mix of energy. We are currently focusing on the low energy efficiency in terms of transmission loss and waste heat loss, promoting the rollout of "ENE-FARM," a distributed power generation system installed in each consumption area. "ENE-FARM" is an LPG-based system, and we are concentrating on popularizing it among new general households by partnering with home construction companies. Through these efforts, we will continue to promote the spread of distributed energy systems.



Residential-use fuel cell "ENE-FARM"

### Expanding sales of solar power generation systems

Solar power is a carbon-free source of energy that does not emit greenhouse gases. Consumers do not need to pay consumption charges and can reduce the amount of electricity they purchase from power companies by using the power generated for their own household. Unused energy can then be sold to power companies. It is also highly economic, as once installed, power can continue to be generated as long as there is sunlight. Since Japan often faces natural disasters such as earthquakes, typhoons, and severe rainstorms, solar represents an effective source of emergency power in the event of power outages. We will also promote the spread of energy creation and storage systems through the installation of storage batteries together with solar power generation systems.



## Response to Climate Change

### Expanding the energy solutions business

We save energy at a wide range of facilities including plants, commercial facilities, and hospitals through the selection and maintenance of cogeneration systems and the proposal of energy-saving equipment. We also work to realize comprehensive energy management centered on electricity, thermal, measurement, control, power storage, and power generation. In addition to reducing running costs with our energy solutions, we are expanding business that helps the global environment. Committed to the achievement of a sustainable society, we provide solutions for the future.

### Development of renewable energy sources

Renewable energy is an important form of domestic energy that does not emit greenhouse gases and can be produced within Japan. It harnesses the natural environment and is also a vital power source for the development and maintenance of society. We will facilitate the smooth operation of our existing power plants and develop new renewable energy sources, particularly solar power plants.

### Provision of the Mitsuuroko Green Plan

Since the “Paris Agreement” was adopted in December 2015, the awareness of consumers and investors toward climate change has increased rapidly, and corporate efforts toward reducing greenhouse gas emissions are

being viewed as important. By providing the “Mitsuuroko Green Plan” to customers who are working to reduce their CO<sub>2</sub> emissions, we will contribute to a low-carbon society and meet the needs of our customers.

#### What is the Mitsuuroko Green Plan...

**The Mitsuuroko Green Plan uses renewable energy supplied by Mitsuuroko Green Energy Co., Ltd., as well as non-fossil certificates. It offers a low environment load menu tailored for customers' needs in two main options.**

\* It not only reduces electricity charges, but also enables customers to reduce their CO<sub>2</sub> emission factors.  
\* The plan is available Japan-wide excluding Okinawa and some remote islands.

#### Benefits of the Mitsuuroko Green Plan

- Lead improvement of corporate image.
- Compared to our ordinary menu items, customers can report lower emission factors in the System for Greenhouse Gas Emissions Calculation, Reporting, and Disclosure based on the Act on Promotion of Global Warming Countermeasures (Global Warming Countermeasures Act).
- Customers can report lower emissions in a CDP report, which is noticed by corporate investors.
- Customers using our extra-high-voltage power service or high-voltage power service can view the balance between costs, emission factors, and renewable energy introduction ratio, and select a plan. Customers using our low voltage power service can choose between the Maru Maru Sai Ene (100% renewable energy) plan and the Maru Maru Datsu Tanso (CO<sub>2</sub>-free) plan.

#### 1 Renewable Energy Ratio Plan



#### 2 CO<sub>2</sub> Emission Reduction Plan



#### Key examples

Mitsuuroko Green Energy Co., Ltd. began offering the Mitsuuroko Green Plan to two new facilities owned by NANBU BJIN Co. LTD. (Headquarters: Ninohe-shi, Iwate; President: Kosuke Kuji) from October 2024. Electricity used at the facilities will be supplied from virtually 100% renewable energy sources\*1 by combining renewable energy-derived “environmental value” mainly generated in Iwate Prefecture with electricity designated by our company, thereby achieving zero CO<sub>2</sub> emissions and local production for local consumption\*2 of renewable energy-derived environmental value within Iwate Prefecture.

\*1 Includes FIT electricity. Part of the cost of procuring FIT electricity is covered by a surcharge paid by electricity users, including customers other than the Company's.

\*2 If “environmental value” (non-FIT non-fossil certificates with renewable energy designation) generated from renewable energy within Iwate Prefecture cannot be sourced, it will be supplemented with “environmental value” (non-FIT non-fossil certificates with renewable energy designation) generated from renewable energy within the Tohoku region.

## Response to Climate Change

### Initiatives of operating companies

#### Participation in TSE's Carbon Credit\* Market

From December 2022, Mitsuuroko Vessel Co., Ltd. has participated in the Carbon Credit Market demonstration project, which the Tokyo Stock Exchange was conducting. The Company has also been participating in the Carbon Credit Market that was commercially opened on October 11, 2023.

\* Carbon credit is a system to trade the reduced emission of greenhouse gas such as CO<sub>2</sub>. It is expected to realize steady reduction of CO<sub>2</sub> emissions and economic rationality as outlined in the Government's "Basic Policy for the Realization of GX" to realize carbon neutrality by 2050.

The Tokyo Stock Exchange officially opened the Carbon Credit Market on October 11, 2023, making use of the knowledge gained from the Technical Demonstration Project for Carbon Credit Market commissioned by the Ministry of Economy, Trade and Industry and implemented in fiscal 2022 as well as the experience in the market operation.



#### Improving LPG operation efficiency with SmartOWL®

In the LPG business, we are contributing to the realization of a low-carbon society by eliminating waste and by reviewing the existing workflow. The SmartOWL® service is a solution that collects and analyzes LPG meter information to automate and save labor for LPG operations such as meter reading and container delivery, which were previously performed manually. For the series of business models and unique logic that link information collected by LPWA to delivery efficiency improvement, we have obtained four patents and are expanding the service to enable more LPG companies to use it.



#### Complementing labor shortages and reducing environmental impact by improving delivery efficiency

In order to use LPG, it is essential to deliver LPG containers to the consumers' homes by truck, and by streamlining this delivery operation, the distance traveled by trucks can be shortened, thereby reducing CO<sub>2</sub> emissions. Mitsuuroko Creative Solutions Co., Ltd. has been providing the SmartOWL® delivery operation streamlining solution, which incorporates the four patented technologies and know-how described in the "Service overview" on page 40, to LPG companies since October 2021.

A comparison of the number of deliveries made by group companies in the year before and after the introduction of the system shows that the average number of deliveries per delivery location for containers decreased from 6.6 times per location to 4.6 times per location, a reduction of delivery operations of around 2 times per location, and the improved delivery efficiency has complemented the shortage of labor and contributed to a reduction in CO<sub>2</sub> emitted during delivery.

#### Annual CO<sub>2</sub> reduction for 100,000 delivery locations for containers (theoretical value)

Amount of CO <sub>2</sub> emissions reduced	Approximately <b>234,400 kg</b> (1.172 kg × 2 times × 100,000 deliveries)
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- Distance traveled per delivery ..... 4.7km
- CO<sub>2</sub> emissions per liter of diesel fuel ..... 2.58kg-CO<sub>2</sub>/L
- Fuel efficiency of 2-ton trucks ..... 10.35km/L

From the above, CO<sub>2</sub> emissions per delivery is 1.172 kg  
Amount of CO<sub>2</sub> emissions reduced = 1.172 kg × Number of deliveries reduced

## Response to Climate Change

### Effects of improving delivery efficiency

An LPWA-based demonstration test reduced  
 - Delivery operation time by approximately 30%  
 - Travel distance by approximately 20%

**Shorter travel distance = lower CO<sub>2</sub> emissions**



\* A comparison and analysis of the conventional delivery method, in which the next delivery date is determined based on a prediction of the amount of gas remaining based on regular monthly meter readings, and a new delivery method based on actual results, in which the amount of gas remaining in the LPG container is monitored daily using the LPWA and the next replacement date is determined.

### Service overview



**This service is equipped with four patented technologies to provide the most efficient container replacement date.**

Patent number  
 No. 6364571  
 No. 6744472  
 No. 6757454  
 No. 6803488

This service, which shortens delivery operation time, contributes to CO<sub>2</sub> emissions reduction by reducing truck operating time and travel distance, and serves as a complement to labor shortages. In doing so, it will help solve social issues and promote ESG, and is proposed as a strength of the Group, which continues to provide "more fulfilling lifestyles" through energy supply.

LPG companies using the service will be able to enjoy the benefits of increased efficiency without having to make major changes to their delivery operations environment.

### Reducing environmental impact by automating meter reading

In the past, it was necessary to visit consumers' homes to read the gas meter in order to ascertain the volume of LPG sold. Due to the nature of LPG service areas, cars are primarily used for transportation during meter reading. The LPG Meter Information Provision Service, which has been offered by Mitsuroko Creative Solutions Co., Ltd. since April 2019, allows users to remotely read guideline readings, eliminating the need to drive for meter reading, resulting in a reduction in CO<sub>2</sub> emissions.

#### CO<sub>2</sub> emissions reduction effects of Mitsuroko Group (Scope 1)

Number of automatic meter readings from April 2019, when the service began, to October 2024 **2,327,112**

Amount of CO<sub>2</sub> emissions reduced **Approximately 207,811 kg**

#### Customers' CO<sub>2</sub> emissions reduction effects

Number of automatic meter readings from April 2019, when the service began, to October 2024 **2,639,558**

Amount of CO<sub>2</sub> emissions reduced **Approximately 235,449 kg**

- Distance traveled per meter reading (actual results from randomly selected MV retailers) ..... 500m
  - CO<sub>2</sub> emissions per liter of gasoline ..... 2.32kg-CO<sub>2</sub>/L
  - Fuel efficiency of meter reading vehicles ..... 13km/L
- From the above, CO<sub>2</sub> emissions per meter reading is 0.0892 kg  
 Amount of CO<sub>2</sub> emissions reduced = 0.0892 kg × Number of meter readings

## Response to Climate Change

### Wind power generation business

In wind power generation, a turbine is turned by the force of wind, and this rotational motion is then transferred to a generator to create electricity. It is a comparatively efficient method of power generation where 40% of wind's energy can be converted to electricity. With its long coastlines, Japan has many locations suitable for harnessing stable wind power (average wind speed of 6 m/second or more), making it a promising country for wind turbines.

			Total output
March 2007	Azuchi Oshima Wind Power Station	Oshima-mura, Hirado-shi, Nagasaki	32,000kW
January 2008	Kamisu Wind Power Station	Yanagawa, Kamisu-shi, Ibaraki	10,000kW



### Mega solar business

Although mega solar plants adopt the same mechanism as residential solar power systems, they are not installed on the roofs of houses. They are installed in large areas of vacant land and have large-scale generation capacity making them suitable for industrial use. The Suigo-Itako Solar Power Plant in Ibaraki (power output of approximately 14,500 kW) and the Futtsu Solar Power Plant in Chiba (power output of approximately 40,000 kW), which are participating in the business, reduce environmental impact by providing clean electricity that do not use fossil fuels, and achieve a sustainable energy supply.

			Total output
February 2014	Suigo-Itako Solar Power Plant	Maekawa, Itako-shi, Ibaraki	14,500kW
July 2014	Futtsu Solar Power Plant	Shimokenzaku, Kato, Futtsu-shi, Chiba	40,000kW



### Solar power plants with output under two megawatts

Mitsuburoko Group is working to expand the use of solar power generation systems and fuel cells to promote the spread of renewable energy. We also have solar power plants that are of a smaller scale than the mega solar plants described above (less than 2 megawatts). We currently operate these plants in 19 locations, and the total output in FY2023 was 6,996 thousand kWh.



## Response to Climate Change

### Biomass power generation business

Biomass is an organic resource (excluding fossil fuel) produced by organisms from the inorganic compounds of water and CO<sub>2</sub> using solar energy. It is a sustainable and renewable energy source that only requires life and solar energy. Within biomass, it is the category of “woody biomass,” which comes from wood such as thinned wood and construction wood waste. Since CO<sub>2</sub> generated by burning woody biomass is absorbed from the atmosphere by trees in the process of photosynthesis that drives their growth, there is virtually no increase in atmospheric CO<sub>2</sub>. This is called “carbon neutral.”

#### Total output

January 2006 Mitsuuoko Iwakuni Power Plant Iwakuni-shi, Yamaguchi Japan's first wood chip combustion 10,000 kW power plant

We provide electricity produced at the Mitsuuoko Iwakuni Power Plant to the customers of our power and electricity sales business.



### Grid energy storage stations that will contribute to spreading renewable energy as the main form of power and the stability of power grid

Mitsuuoko Green Energy Co., Ltd. owns grid storage batteries in Tahara-shi, Aichi and Sendai-shi, Miyagi. At the storage station in Tahara-shi, storage batteries are installed by utilizing the interconnection lines that became available for connection following the removal of deteriorated existing wind turbines, and the station is playing a role in the expansion of renewable energy by converting operations to the site where replacement is not possible.

The use of renewable energy power generation facilities for the realization of carbon neutrality by 2050 has seen demand for expansion. However, there are difficulties in power generation prediction and control due to the fact that facilities such as those for solar and wind power are affected by the seasons and the climate. To solve these challenges, it is essential to secure “adjustment capability” to control unstable power generation. At these power storage stations, the storage batteries can be used as “adjustment capability,” and the charge or discharge control of the storage batteries can then be used to compensate for the shortfall in the power generation plan of the renewable energy power source, thereby contributing to the stabilization of the power grid<sup>\*1</sup>. In addition, these storage stations can also be used to control distributed energy resources and other such applications.

As an aggregator<sup>\*2</sup>, Mitsuuoko Green Energy will operate the storage stations using its own in-house system<sup>\*3</sup>, and contribute to the further adoption of renewable energy and the stabilization of the power grid by entering markets such as the supply-demand adjustment market and the capacity market.

<sup>\*1</sup> A system that integrates power generation, substation, power transmission, and distribution to supply power to consumers' power receiving equipment.

<sup>\*2</sup> A business operator that effectively manages energy by bundling the electricity demand of consumers and distributed power sources (storage batteries and in-house power generation equipment).

<sup>\*3</sup> Press Release on December 6, 2021 "A business alliance agreement has been entered into with Nippon Koei Co., Ltd. to develop and demonstrate the next-generation integrated power system utilizing off-grid energy resources" [https://www.mitsuuokogreenenergy.com/news/pdf/release\\_211206.pdf](https://www.mitsuuokogreenenergy.com/news/pdf/release_211206.pdf)

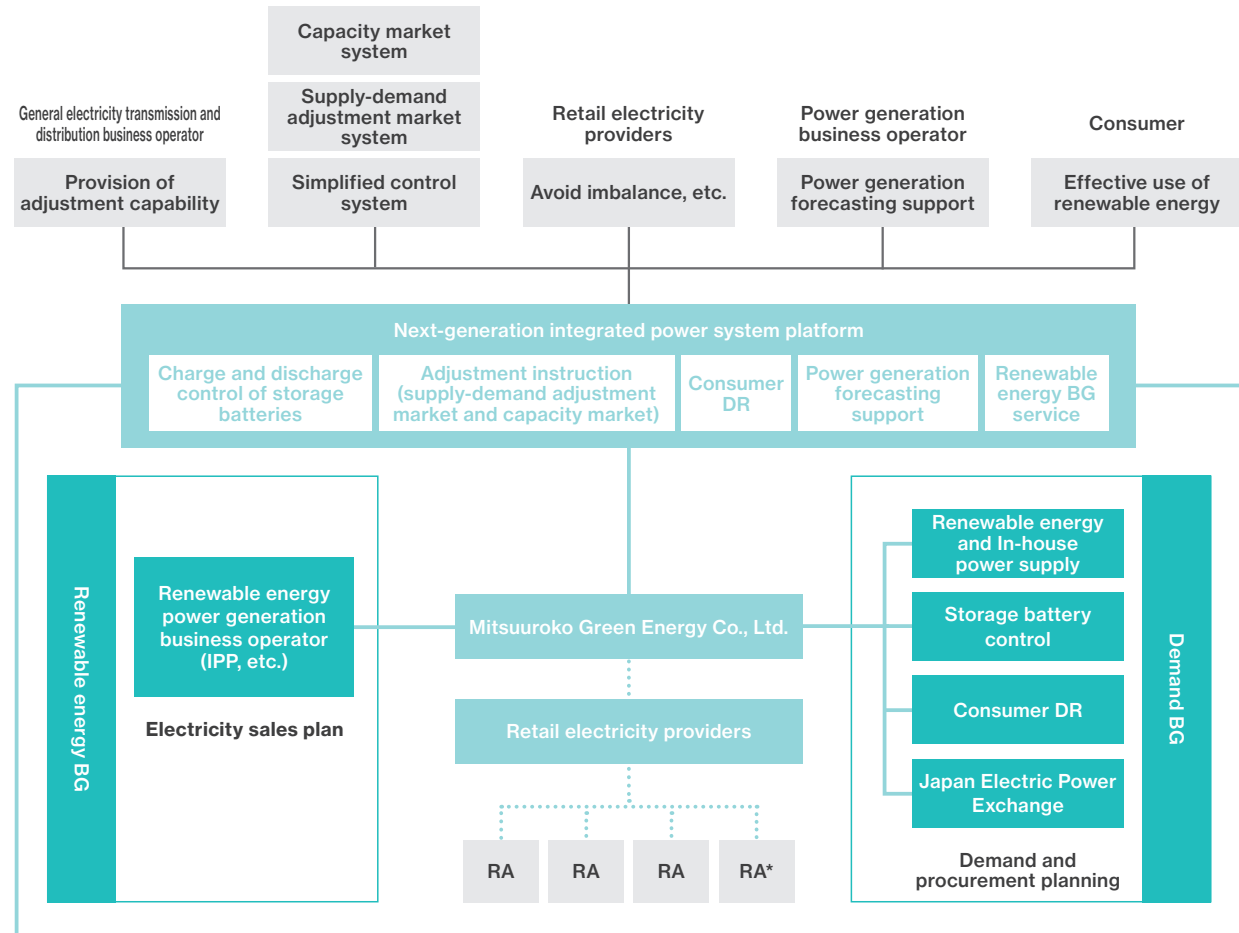


		Business entity (including operation)	Output/Capacity
September 2023	Mitsuuoko Tahara Power Storage Station	Mutsure-cho, Tahara-shi, Aichi Due to the age of the wind farm owned by the Company, the wind farm was removed and the existing grid frame was used (equipment modification) to install this power storage station.	Mitsuuoko Green Energy Co., Ltd. 1,500kW/ 6,140kWh
December 2023	Mitsuuoko Sendai Power Storage Station	Miyagino-ku, Sendai-shi, Miyagi	Mitsuuoko Green Energy Co., Ltd. 1,534kW/ 6,140kWh

## Response to Climate Change

### Initiative for participating in renewable energy aggregation business

To participate in renewable energy aggregation business, Mitsuuroko Green Energy Co., Ltd., has entered into a business tie-up with Nippon Koei Co., Ltd. to develop and demonstrate Integrated Power Control Central (IPoCC), a next-generation integrated power system that utilizes distributed energy resources such as storage batteries. Based on the business tie-ups, we developed “IPoCC” and provided power generation forecasting and renewable energy supply-demand adjustment services for renewable energy power generation facilities, such as solar and wind power, which fluctuate substantially. It supports the supply-demand adjustment market which is phased in from FY2021, and the capacity market, which started in FY2024. Mitsuuroko Green Energy Co., Ltd. and Nippon Koei Co., Ltd. have labeled IPoCC as “epoch-making.” The two companies aim to establish it as next-generation standard in power control systems. In addition to developing and testing it, they are focusing on external sales and the expansion of aggregation energy business. Through these efforts, they will contribute to the popularization of renewable energy and the realization of a decarbonized society.



\* Resource aggregator: Business operator that enters into direct service contracts with consumers and controls resources.

## Response to Climate Change

### Received a five-star rating from the Energy Conservation Communication Ranking System

For the third consecutive year from FY2022, Mitsuuroko Green Energy Co., Ltd. received the highest rating of five stars with a perfect score of 145 points as a retail electricity provider in the 2024 evaluation results of the “Energy Conservation Communication Ranking System” conducted by the Ministry of Economy, Trade and Industry and the Agency for Natural Resources and Energy.

The purpose of this system is to evaluate and publicize the level of information and services provided by each provider for general consumers regarding energy efficiency and conservation as well as the status of their efforts, so that general consumers can use the evaluation results as reference information when selecting an electricity or gas company, and to

encourage further energy efficiency and conservation efforts based on the information provided. Mitsuuroko Green Energy is actively working to provide useful information on energy efficiency and conservation to customers, share information on environmental issues and initiatives related to decarbonization through webinars and social media, and expand the use of demand response services to encourage power-saving.



### Improvement and expansion of demand response service\* functions for the next-generation integrated power system IPoCC

Since July 2021, Mitsuuroko Green Energy Co., Ltd. has been providing Demand Response (DR) services to its customers using our extra-high-voltage power service or high-voltage power service. In July 2022, we began offering additional DR services to general households. The supply-demand situation for electricity has remained difficult at certain times due to recent sharp rises in fuel prices, the shutdown of thermal power plants, and the heat waves in the summer. In light of this, we continue to operate the DR service of the next-generation integrated power control system, IPoCC, which has been improved since last year with the aim of further enhancing the service. The service is constantly improving and evolving to meet customer needs.

#### Added functions

- Early delivery of DR implementation result reports
- Long-term DR activation

\* Demand response (DR) is a system that enables clients to adjust their electricity consumption in response to price signals or incentive payments, helping reduce usage during periods of high wholesale prices or grid stress. By flexibly increasing or decreasing demand, DR helps balance electricity supply and demand. As weather-dependent renewable energy becomes more prevalent, DR provides an effective mechanism for managing fluctuations in power generation.

### Collaboration in electric vehicle charging business

On October 31, 2023, in forming a capital and business tie-up with Yourstand Co., Ltd. for collaboration in the electric vehicle (EV) charging business, Mitsuuroko Green Energy Co., Ltd. entered into a basic agreement and an investment agreement for a third-party allocation of shares to the Company.

This capital and business tie-up will contribute to the rollout of EV charging infrastructure in Japan by combining Yourstand's extensive track record and expertise in EV charging equipment sales and installation with the Group's customer base and nationwide sales network. By combining Yourstand's EV charging management system with the Group's unique electricity menu offering, we intend to contribute to leveling the balance between electricity supply and demand in society as a whole.



## Response to Climate Change

### Continuing our ‘Yamaguchi Buchi Eco-Denki’ offering powered by local hydropower

Mitsuuroko Green Energy Co., Ltd. started accepting applications on February 1, 2024 for Yamaguchi Buchi Eco-denki,<sup>\*1</sup> a new electricity menu for corporations in Yamaguchi Prefecture that promotes local production for local consumption by utilizing electricity from a hydroelectric power plant owned by the Public Enterprise Bureau of Yamaguchi Prefectural Government, and has been supplying electricity since April.



<sup>\*1</sup> Yamaguchi Buchi Eco-denki flyer, application guidelines Leaflet  
[https://mitsuurokogreenenergy.jp/pdf/yamaguchi\\_0240125.pdf](https://mitsuurokogreenenergy.jp/pdf/yamaguchi_0240125.pdf)  
 Application guidelines  
[https://mitsuurokogreenenergy.jp/pdf/yamaguchi-youkou\\_20240125.pdf](https://mitsuurokogreenenergy.jp/pdf/yamaguchi-youkou_20240125.pdf)

#### Advantages of joining Yamaguchi Buchi Eco-denki

- 1 Renewable electricity sourced from nine hydroelectric plants in Yamaguchi Prefecture, enabling local production and local consumption.
- 2 100% renewable and CO<sub>2</sub>-free electricity supplied through local hydropower and non-fossil certificates, with backup from our Mitsuuroko Iwakuni Power Plant<sup>\*2</sup> and non-fossil certificates if needed.
- 3 Tailor-made pricing for extra-high- and high-voltage facilities, with the potential to lower renewable electricity costs (see guidelines for low-voltage facilities<sup>\*1</sup>).
- 4 Enhanced external visibility through use of the Yamaguchi Buchi Eco-Denki logo and official certification<sup>\*3</sup>.

<sup>\*2</sup> Mitsuuroko Iwakuni Power Plant  
<https://www.mitsuurokogreenenergy.com/company/plant/iwakuni.html>  
<sup>\*3</sup> A separate application must be submitted to the Yamaguchi Prefecture Environmental Life Department. Please refer to the link below.  
<https://www.pref.yamaguchi.lg.jp/site/saienedenyrokuriyouziguosyo/>

### Announcement of the offering of the EV Sumatoku Plan, a limited menu for electric vehicle (EV) owners

Mitsuuroko Green Energy Co., Ltd. started offering the EV Sumatoku Plan for electric vehicle (EV) owners on February 6, 2024, and expanded its service area nationwide (excluding Okinawa Prefecture and some remote islands) from November 1, 2024.

This plan is an electricity plan that allows customers to save money by adjusting the time when they charge their EVs and use other home appliances. The service is characterized by a “recharge time” between 11:00 a.m. and 1:00 p.m. every day, regardless of weekdays or holidays, which offers even more economical rates. By shifting the use of electricity from the evening peak hours to daytime hours, we intend to help level the

supply and demand of electricity in society as a whole by reducing the amount of electricity demand in the evenings, when electricity demand tends to be tighter.

#### Outline of EV Sumatoku Plan

Application opens	November 1, 2024
Supported areas	Nationwide (excluding Okinawa Prefecture and some remote islands)
Sumatoku Plan price list	<a href="https://mitsuurokogreenenergy.jp/ev/">https://mitsuurokogreenenergy.jp/ev/</a>
Target	Individuals and corporations that own EVs*

\* A copy of the EV's vehicle inspection certificate must be attached to the application.

### Other climate change initiatives

#### 1 Baking bread using domestic wheat

Mitsuuroko Provisions Co., Ltd.'s bakery business, “Azabujuban Mont-Thabor,” focuses on selling frozen bread that uses domestically produced wheat. (The ratio of bread made with domestic wheat varies from store to store.) Using domestically produced wheat as raw material shortens the transportation distance. It also uses raw materials milled with a stone mill and offers customers products baked in-store. These products are made with meticulous attention to the environment, health, and superb taste (aroma), and are gaining strong support from customers as a new value.



## Response to Climate Change

### 2 Installation of solar panels on the roofs of the company's facilities

General Storage Company Pte. Ltd. (GSC), the Company's overseas subsidiary, has set forth "a green and caring tomorrow with self-storage" as its ESG vision. GSC's self-storage brand, Lock+Store, has signed an 18-year purchase agreement with Union Solar Pte Ltd, a solar power generation business operator, to realize this mission. The solar panels installed on the roof (completed in January 2023) of the self-storage operated by GSC in Chai Chee, Singapore, will have a maximum output of approximately 487.3 kWp, which is expected to reduce the use of fossil fuel-based energy by approximately 30% when used on-site at the facility.



### 3 Use of vacant space for vegetable gardens

Lock+Store has partnered with SG Gardens, a local horticultural company, to utilize vacant space at the GSC facility in Chai Chee, Singapore, for vegetable gardens. The harvest from the vegetable garden will be donated to charities that support low-income families or sold to restaurants.



Edible hibiscus



Edible marigold

# Prevention of Environmental Pollution

## Basic approach

Mitsuroko Group believes that one of its corporate responsibilities is to reduce the emission of pollutants in its business activities. As such, we are working to prevent and reduce the impact of environmental pollution by chemical substances and oil, reduce emissions of air pollutants, and reduce and properly dispose of toxic wastes and wastewater.

## Initiatives for prevention of environmental pollution

### Management of chemicals and contaminants

Since our operations have little relevance to emissions of air pollutants such as VOCs, NOx, and SOx, we do not perform measurements for these. Waste, including hazardous waste, is properly disposed of through specialized waste disposal companies in accordance with laws, regulations, and other rules. In FY2023, following on from FY2022, there were no penalties or fines related to environmental laws and regulations (Air Pollution Control Act, Water Pollution Prevention Act, Soil Contamination Countermeasures Act, Waste Management and Public Cleansing Act, etc.) due to outflows or excess emissions of environmental pollutants.

### Response to soil contamination

In the event that pollution is detected at LPG filling stations and gasoline service stations, while we report such incidents to the relevant government agencies and actively disclose information to the public, such as through explanations to residents within the vicinity or press releases, we work to control soil contamination. In accordance with the state of the pollution, we employ measures such as excavation, removal, and paving to prevent contamination from spreading or entering ground water.



# Advancing Resource Circularity

## Basic approach

Mitsuuroko Group promotes the 3Rs (Reduce, Reuse, Recycle) throughout the Group. We are strengthening our commitment to resource circularity in our various business activities.

## 3R promotion initiatives

### “Eco Nico Time” to reduce food waste

Azabujuban Mont-Thabor believes that, “as lovers of bread and the earth, we cannot waste the bread we have made with our own hands so easily.” This is why any bread that was previously discarded daily due to being non-standard (minor aesthetic imperfections or browning) despite having no quality issue, or any bread that did not sell, is sold at a reasonable price through a limited-time service named “Eco Nico Time.” This initiative will help reduce food waste and environmental impact, as well as provide an opportunity to try Azabujuban Mont-Thabor’s bread at a discount.



### Vending machine for frozen non-standard breads

In April 2022, Mont-Thabor Kugenuma Kaigan Store (Fujisawa-shi, Kanagawa) introduced its first frozen bread vending machine, with the aim of providing the delightful experience of enjoying homemade bread, readily available as a convenient and eco-friendly snack. Frozen bread and frozen dough made of 100% domestically produced wheat are available for purchase 24 hours a day. We will also contribute to the reduction of food waste and environmental impact by offering non-standard bread.



## Advancing resource circularity

### “Sustainable Real Estate Management” initiatives to reduce furniture waste

MITSUUROKO Co., Ltd. is working with Social Interior Inc., a furniture subscription service and off-price market provider, on sustainable real estate management that reduces furniture waste.

#### Procurement of furniture for designing space in real estate business through subscription

By not owning the furniture needed for income-producing properties, and by utilizing the subscription service offered by Social Interior Inc. to promote the collection and secondary use of furniture when it is no longer needed in the future, we aim to make effective use of resources.



#### Reducing the hassle of owning furniture needed by property users, collecting unwanted furniture, and reusing it

We will progressively make the Subslife furniture subscription service of Social Interior Inc. available to tenants and users of rental apartments, office buildings, and commercial facilities operated by MITSUUROKO Co., Ltd. at discounted prices.

This reduces the users' initial setup fees, the hassle of ownership, and the burden of arranging for disposal when no longer needed. At the end of the subscription period, Social Interior Inc. will collect the furniture and promote its secondary use in its off-price market, Subslife Off Price.



### Bowling pin and sauna stone reuse art exhibition

As part of the Rain-Bowling Project\*, a sustainable activity using discarded bowling pins, Mitsuuroko Sports Co., Ltd. held the “Craft Art Exhibition Created with Bowling Pins and Sauna Stones” at three locations within Hamabowl EAS (1st Floor Entrance, 4th Floor SPA EAS, 8th Floor Hamabowl) from March to June 2024, to showcase craft art created using discarded materials. The works in this exhibition were created by students and faculty of the craft course at Yokohama University of Art & Design, marking the second time it has been held since FY2022.

We also registered our participation in the 8th Yokohama Triennale as a support program, and during the event period, we held a temporary exhibition at the JR Yokohama Tower, a facility connected directly to the West Exit of JR Yokohama Station. As an industry-academia-government collaborative initiative, we were able to showcase a new style of SDG-oriented art to the local community.

We will continue exploring various avenues of reuse and pursuing our challenge of achieving zero waste.

\* A project exploring various methods of reuse, such as using discarded bowling pins (approximately 500 per year) from Hamabowl and sauna stones discarded at Yokohama Tennen Onsen SPA EAS for creating original children's games and utilizing them for art.



## Advancing resource circularity

### EAS café promoting elimination of plastic and local production for local consumption toward becoming a sustainable cafe

The EAS café, directly managed by SPA EAS, promotes the elimination of plastic.

In FY2022, we eliminated all conventional plastic cups. We switched from providing paper cups to serving drinks in reusable tumblers from FY2024.

In addition, in purchasing ingredients, vegetables are procured from local stores in Yokohama-shi, and only the necessary amount is harvested through hydroponic cultivation using the plant cellar within the EAS café, thereby reducing food mileage and food waste.

We will continue providing sustainable options linked to reducing our environmental impact, and operate our facilities with an awareness of our contribution to the local community.

### Flower installation: Smile Flower Bath installation

SPA EAS: Yokohama Tennen Onsen supports the Smile Flower Project, an initiative to save flowers that would otherwise be discarded as non-standard products or wasted due to the shrinking market caused by the pandemic. At the entrance, flower baths (*hanachozu*) are created and displayed according to the season, welcoming guests in a festive manner.

In addition, events aimed at raising awareness of the project included a popularity contest for flower art and a stamp collecting game, creating a cycle that links the smiles of employees, flower farmers, and customers through the flower decoration initiative.

We will continue to strive to recycle resources and enhance the value of facilities with ideas that capture current trends.



# Water Security

## Basic approach

Mitsuo Group considers water security to be an important management issue and is taking actions such as water stress and risk studies, and water hazards and water management. At the same time, in accordance with our environmental policy, we work to conserve and make effective use of water resources through efficient use of water, reduction of water consumption through recycling, and appropriate treatment of water.

## Initiatives for water security

### Implementation of water stress/risk studies

Using the WRI Aqueduct, an international indicator, we comprehensively analyzed and evaluated current and future risks (water demand, water source security, water damage, etc.). As a result, we confirmed that there is no significant water stress or risk in the Group's main facilities as of now.

### Water consumption, water discharge, and water quality control

In order to use water resources sustainably, we monitor water consumption and strive to save water, and also implement appropriate wastewater management. In FY2023, following on from FY2022, there were no violations of standards and regulations pertaining to water discharge.

### Situation of water resources utilization

In FY2023, Group-wide use of domestic freshwater resources (water supply and wells) totaled 3,162 thousand m<sup>3</sup>, and the amount discharged to underground and rivers (excluding sewage) was 754 thousand m<sup>3</sup>.

## Response to water hazards

While LPG is a form of distributed energy that is easy to install and restore even during natural disasters such as torrential downpours and storm surges, it is possible for filling stations to be damaged and for its transportation to be delayed or slowed. In preparation for emergencies, we have implemented disaster prevention measures at facilities such as filling stations and have also formulated a business continuity plan (BCP). The LPG supply network is rationally designed to ensure a steady supply of LPG to every corner of the country in times of peace and even in times of disaster. In addition, Mitsuo Group

Administration Center (Saitama-shi, Saitama), a shared services division that consolidates the operations of the Group companies, has two offices; one in Nagano and the other in Saitama. We take this approach in order to avoid the risk of interruption in our operations when struck by disaster, etc. due to centralization, and to ensure the continuation of operations in the event of an emergency. We have established a system that allows us to shift to pre-determined operations in an emergency by activating the BCP program if it becomes impossible to carry out operations in Saitama-shi.

## Initiatives to reduce water usage

### Preserving water resources through the use of business cards made primarily from limestone

From the viewpoint of conserving forests and water resources, the Group has adopted the use of business cards made with "LIMEX," a material derived primarily from limestone. Limestone exists in abundance throughout the world and is a mineral resource which Japan is completely self-sufficient which can be obtained at a low cost. By adopting limestone as the main material for our business cards, we are contributing to the preservation of forests and water resources, which are essential for the production of paper. This initiative saves 10 liters of water per card box of business cards (100 cards). When converted to the number of business cards used by the Group, this equates to 22,000–24,000 liters of water preserved in a year.



\* "LIMEX" is a registered trademark of TBM Co., Ltd.

### Water-saving initiatives

In the wellness business, we are working to reduce bathing water used at “Yokohama Tennen Onsen SPA EAS” through the use of a recovery tank (water supply and natural spring water) timer control and water-saving devices installed in all shower heads. We are also reducing other water used at the facility through measures such as the introduction of water-saving toilets, and employees are also making efforts to save water. We are also promoting the introduction of water-saving showers and toilets in rental apartments owned by our real estate business.



## Biodiversity Conservation

### Basic approach

Mitsuuroko Group recognizes the importance of nature’s bounty, and in order to continue to enjoy it in the future, the Group has adopted “biodiversity conservation” as one of its environmental policies. Based on this, we strive to understand and improve the impact of our business activities on biodiversity, promote sustainable use, and engage in biodiversity conservation in cooperation with local communities.

### Initiatives in business activities

#### Activities to protect and nurture the forests around water collection sites

To contribute to the local community by beautifying the environment, Mitsuuroko Group employees, their families, and other relevant parties participate in cleanup activities in Mitsuuroko’s Forest Narusawa, a mountain forest near the Narusawa Plant in Yamanashi Prefecture, and along Mitsuuroko’s Path, a walking path near the Gifu Yoro Plant in Gifu Prefecture, where mineral water is produced by Mitsuuroko Beverage Co., Ltd.

In 2023, we also launched a project to plant hydrangea seedlings in the famous hydrangea corridor on Mitsuuroko’s Path. We will further contribute to regional development by working with local governments on projects to promote tourism in the region.



#### Endorsed the Keidanren Declaration for Biodiversity and Guideline

We endorsed the Keidanren Declaration for Biodiversity and Guideline in March 2024. Our efforts are in line with this declaration and guideline, and we will continue to promote initiatives that contribute to the conservation of biodiversity.

