



Environment

Environmental Policy and Management

● KAMEDA SEIKA Group Environmental Policy

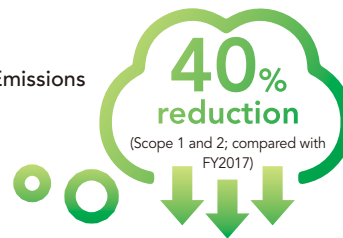
- ① Our mission is to deliver health, deliciousness and excitement to our customers.
- ② As a corporate citizen, we contribute to and exist in harmony with communities through ecological activities.


● Environmental Management System

The KAMEDA SEIKA Group conducts environmental management in accordance with its Environmental Policy, mainly through the Sustainability Promotion Task Force and the EMS Secretariat. In addition, since December 2002 the Group has obtained ISO 14001 certification of its environmental management systems at the headquarters and Global Rice Innovation Center (Facility Development Department) of KAMEDA SEIKA CO., LTD., the Kameda Plant, the Suibara Plant and the Shirone Plant. The Environmental Committee of each certified location meets on a monthly basis, and the EMS Secretariat hosts a monthly EMS Meeting attended by representatives of each location to formulate environmental targets and manage progress.

Response to Climate Change

Total Greenhouse Gas Emissions
(FY2030 Target)



KAMEDA SEIKA has set a goal of reducing greenhouse gas emissions by 40% by FY2030 compared with FY2017. We are working to curb emissions in the manufacturing process as well as during transportation, including through the promotion of a modal shift. In addition, we are designing measures to calculate and reduce emissions throughout our supply chain.  See pages 28 and 58 for details.

Disclosure Based on the TCFD Framework

● Endorsement of TCFD Recommendations

Since launching the medium-term business plan that began in FY2018, the KAMEDA SEIKA Group has had the goal of strengthening initiatives toward sustainability and is working to achieve sustainable growth and enhance corporate value.

As a company that uses agricultural products as its main raw materials, we believe that responding appropriately to climate change is a task of the utmost priority, because it is likely to have a serious impact on our supply chain. In November 2021, the Company announced its endorsement of the TCFD recommendations and joined the TCFD Consortium, a forum for discussion among supporting companies and financial institutions.



Initiatives for TCFD Recommendations

<https://contents.xj-storage.jp/xcontents/AS01309/fe24a744/a5ff/4683/8a16/70ee3afecb07/20220621172928555s.pdf>

● Governance

The Sustainability Promotion Task Force, which is headed by the Chairman & CEO, engages in sustainability-related initiatives including those related to climate change. It also sets policies and detailed targets for the resolution of various issues related to sustainability, devises systems and specific execution methods for their implementation, and monitors the progress of measures, among other activities. Details of the task force's activities are submitted regularly for discussion or reported to the Board of Directors so that it can fulfill its role of overseeing the status of responses to key issues.

In FY2023, the Sustainability Promotion Task Force reported the following to the Board of Directors and Management Meeting.

- (1) November 2023 Board of Directors Meeting
Decision and report on sustainability-related initiatives including those related to climate change
 - Reported on results of FY2022 initiatives to address our material issues, including climate change, and on FY2023 initiatives and progress toward targets
 - Resolution on the revision of the Basic Policy on Sustainability after revamping the KAMEDA SEIKA Group's Corporate Philosophy under the medium- to long-term growth strategy announced in August 2023

- (2) March 2024 Management Meeting
At the meeting, we reported that the environmental targets under the environmental management system were to be integrated with the separately established Basic Policy on Sustainability and the environment-related KPIs (based on material issues). The environmental targets will also be updated to align with the Basic Policy on Sustainability. The policy will serve as the guiding principle, and we will work to ensure that it is clearly communicated and understood by employees on the front lines.

● Strategy (Scenario Analysis)

We have considered two world views of the future, a 4°C scenario and a 2°C scenario, covering the Group's entire value chain including procurement, production, and supply of products and services. We have examined the impact of climate change on the Group up to 2030, and identified risks and opportunities under each world view.


The key impacts on the Group under each scenario are presented in the table on the right. We are working to reduce greenhouse gas emissions and energy consumption, reduce plastic usage by switching to ECO-packaging, and promote businesses that contribute to solving social issues, such as long-life preserved food, plant-based foods, rice flour bread free from the 28 allergens subject to labeling under Japanese law, and plant-based lactic acid bacteria. Furthermore, with regard to rice, which is the Group's main raw material, forecast parameters for yields and price disclosed by external institutions indicate that increased atmospheric CO₂ is expected to contribute to rice growth, while higher temperatures will increase yields and reduce the market prices through the expansion of production areas. On the other hand, an increase in paddy water temperature is expected to have a detrimental impact on rice quality. We are therefore promoting R&D to ensure that we can continue to provide delicious rice crackers to customers, despite lower quality rice. We are working to manage these risks as follows.

● Risk Management

The management of climate change-related risks is integrated into the Company-wide risk management system, and is led by the Risk Management Committee. In principle, the committee meets at least once each quarter, and reports to the Board of Directors on the content of its deliberations and the progress of discussions as part of its efforts to control and manage overall risk management.

Raw material procurement risks, including those related to climate change, are positioned as high risk on the risk map created by the Risk Management Committee. Measures such as diversifying suppliers and securing multi-year contracts for raw materials tied to specific varieties or production regions have been shared within the Risk Management Committee. In addition, the Sustainability Promotion Task Force has designated sustainable procurement as a material issue, and is working to strengthen stable procurement. In FY2023, for high priority risks, we focused on procurement risks from deterioration in quality or poor harvests of rice, our main ingredient, due to high temperatures in summer, and presented reports to the Rice Cracker Business Meeting and the Management Meeting. They promptly discussed countermeasures and reached

an agreement on measures. We are also promoting R&D to address global procurement of raw materials.

 See pages 29 and 56 for details.

Key Impacts on the Group under Each Scenario

Classification	Risk	Impact on Business	Degree of Impact	
			4°C	2°C
Transitional Risks	Introduction of carbon pricing	Operating and raw material costs will increase with the introduction of carbon taxes and emissions rights trading	Low	High
	Increase in electricity prices	Electricity costs will rise with the shift to renewable energy generation	Low	Medium
	Increase in packaging costs	Cost of petroleum-based plastic packaging materials will increase due to higher fossil fuel prices and the enforcement of plastic use regulations	Medium	Medium
	Changes in customer preferences	Increased consumer awareness, including ethical consumption, will affect the demand for conventional products	Medium	High
Physical Risks	More extreme weather events	Physical losses and costs to respond will be incurred due to direct damage and disruption of logistics networks caused by typhoons and torrential rains	High	High
	Rising temperatures and changing weather patterns	Procurement quantity and related costs will be impacted, as well as a decline in the quality of the Group's main raw materials such as rice and peanuts	High	Medium

Specific Measures

Reducing CO₂ Emissions and Energy Consumption

Measures to reduce CO₂ emissions have included the conversion of core machinery at all three Company plants in Niigata Prefecture from fuel oil A and liquefied petroleum (LP) gas to city gas. In August 2022, carbon-free Yorisou 100% renewable energy generated by hydroelectric power and supplied by Tohoku Electric Power Co., Ltd. was introduced at the Kameda Plant, and then at the Suibara Plant in August 2023.

We will also work to reduce energy consumption in rice cracker manufacturing processes, including by reducing energy



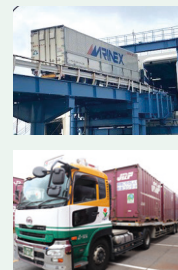
Yorisou renewable energy certificate of contract

loss associated with production changeover, switching to energy-efficient production equipment, visualizing energy usage, and implementing energy-saving activities.

Promotion of Modal Shift

We have been promoting a shift from truck to railway freight transport, which has lower CO₂ emissions, and are certified as an Eco-Rail Mark company.

In FY2023, despite a decrease in shipments to regions with high levels of railway freight transport, our modal shift rate was 29.6% due to the start of ferry-based maritime transport to Kyushu and Hokkaido. Furthermore, consolidated subsidiary Niigata Yusou Co., Ltd. is certified as an Eco-Rail Mark supporting company.



Use of Carrying Bags Made from LIMEX at Kakitane Kitchen

At Kakitane Kitchen, a specialty store selling Kaki-no-Tane operated by consolidated subsidiary Toyosu Co., Ltd., we are using carrying bags made from a new material called LIMEX, which is primarily composed of limestone. This helps to reduce the use of plastic derived from petroleum as well as greenhouse gas emissions.



Initiatives to Contribute to Establishing a Circular Economy

For the Group to conduct its business activities in a sustainable manner, it is essential to contribute to establishing a circular economy that effectively uses limited resources and thus reduces its environmental impact. We will contribute to establishing a circular economy by curbing the amount of waste generated in our business activities and by working to use resources efficiently.

Use of Sake Rice


Rice is one of nature's blessings, and one measure we employ to use it without waste is to utilize the rice flour left over from polishing rice for sake as a raw material in KAMEDA Kaki-no-Tane.

Reducing Plastic Use

Awareness is growing worldwide about issues caused by single-use plastics, including the increase in marine plastic waste and the impact on the environment from greenhouse gases generated during plastic incineration.

As a manufacturer of consumer goods, the Group recognizes that reducing the amount of plastic it uses is a key issue that should be addressed as a priority. We have set targets for FY2030 that include switching to ECO-packages for all KAMEDA SEIKA products to reduce the amount of plastic that KAMEDA SEIKA and consolidated subsidiaries in Japan use by 30% compared with FY2017.

In fiscal 2023, we worked to reduce packaging sizes for our key brands and develop products that do not rely on individual packaging, as we made significant progress in adopting ECO-packaging. Nevertheless, the amount of plastic used increased by 7.8% compared with FY2017 due to an increase in production volume.

We will continue our efforts to reduce plastic usage through measures such as reducing the amount of packaging used in existing products and continuing to develop products that do not rely on individual packaging.  See pages 29 and 58 for details.

Amount of Plastic Used
(FY2030 Target)



Food Waste and Final Landfill Waste

The Group works to reduce food loss in its manufacturing processes. We participate in eco-feed activities, in which non-sellable rice crackers are recycled as livestock feed, and donate products to food banks. Another way we are working to reduce food loss is by selling rice crackers that are broken, misshaped, or near to their expiration date at discounted prices at factory outlets. To promote the reuse of by-products generated during the rice cracker manufacturing process, we launched the upcycling project "Re Kameda" in May 2024. The first initiative was the creation of "rice business cards" using paper made from rice that had become inedible. The business cards have been distributed to the Company's officers and employees.



KAMEDA SEIKA factory outlet
(Konan-ku, Niigata-shi)


First Initiative of Upcycling Project: Rice Business Cards



Water Use

Water is an essential resource for growing rice, the Group's primary raw material, and also plays an extremely important role in the manufacture of our products. When conducting business activities, the Group recognizes the importance of properly understanding the impact of climate change and other factors on water resources and the need to consider efficient water use.

In FY2023, water use in the Company and its domestic consolidated subsidiaries decreased 7.7% compared with FY2017, mainly due to a decrease in the number of production line changes that require cleaning as we reduced SKUs,* efforts to save water during cleaning, switching to water-saving components at production sites, and maintenance of aging water pipes.

 See pages 28 and 58 for details.

* Stock keeping units

Specific Measures

As part of our efforts to reduce plastic use, we have promoted a shift to ECO-packaging. Improving our packaging technologies has enabled us to eliminate plastic trays and slim down packaging. However, while we have generally shifted to ECO-packaging, there are some products that are difficult to package without trays. For these products as well, we are working to reduce plastic use by making the trays thinner and investing in equipment to eliminate use of trays.

Example of Initiatives

● Reducing the Thickness of Trays

Products such as KAMEDA Salad Usuyaki (80 grams) and KAMEDA Ebi Usuyaki (70 grams) have three packs with

trays for convenient single-servings. Rather than eliminating the trays, we reduced the thickness of the trays by 10% and began sales in May 2024. This change is expected to reduce our annual plastic usage by approximately 18 tons.



● Eliminating the Use of Trays

The KAMEDA Kaki-no-Tane 12 Pack (360 grams) previously had a tray for stable packaging. However, we made investments in equipment to eliminate the trays, and in September 2024 we relaunched the product without trays. In this way, we plan to reduce plastic usage by approximately 22 tons per year.

