

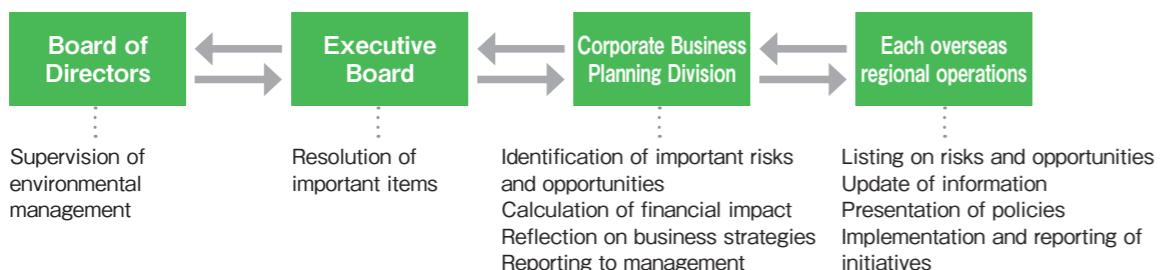
Taking Action for TCFD

G-TEKT is taking actions based on the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) in order to realize a sustainable society.

Governance

In FY 2021 we launched and began promoting the GX project, headed by the President, Chief Executive Officer, to address important issues related to climate change. These were transferred to the new Global Environmental Section that was established within the Corporate Business Planning Division in FY 2022, with the Senior Managing Officer in charge of the Corporate Business Planning Division also

serving as Chief Global Environmental Manager. Material risks and opportunities identified are incorporated into business strategy and policy management, mainly in the Corporate Business Planning Department via the Officer in Charge of Environment, and are regularly reported to and discussed by management. Reports and opinions may also be submitted to the Board of Directors, depending on the issue.

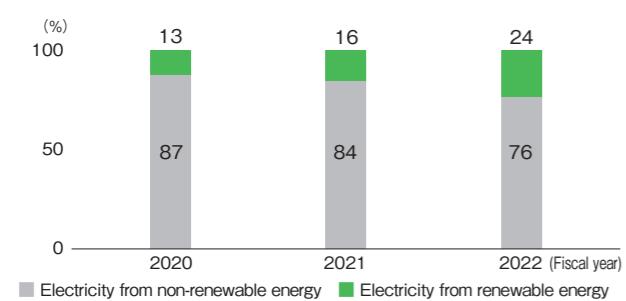


Strategy

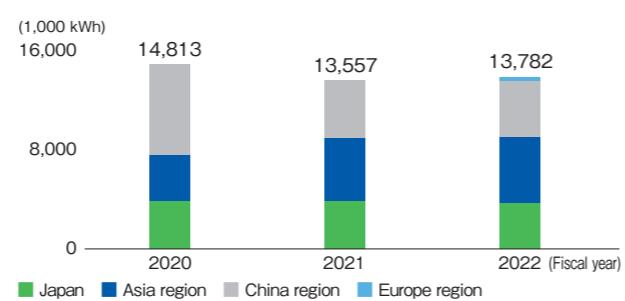
Our environmental strategy in our business activities is (1) energy-saving initiatives and (2) utilization of renewable energy (including in-house power generation). Going forward, we will prioritize strategies for each of our global locations, and move forward with these initiatives.

Environmental initiatives through our products include: (1) contribution to the improvement of fuel and electric cost performance of automobiles through lightweight car body technologies, and (2) contribution to the spread of EVs through our EV-related parts business initiatives.

Rate of electricity derived from renewable energy



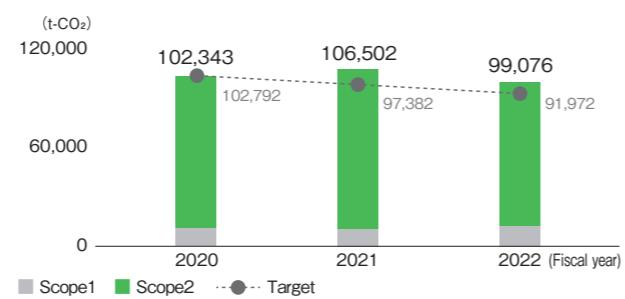
Solar power generated



Indicators and goals

As an indicator for managing climate change risks and opportunities, we have set global emission reduction targets for Scopes 1, 2, and 3 CO₂ emissions. In terms of G-TEKT's global Scopes 1 and 2 CO₂ emissions, we are aiming for a 50% reduction in CO₂ emissions in FY 2030 and a 100% reduction in FY 2040 compared to FY 2013. We also aim to be carbon neutral as defined in Scopes 1, 2, and 3 by FY 2050, with cooperation in the supply chain.

CO₂ emissions



Risk management

At G-TEKT, climate change risks and opportunities targeted for management are discussed by the Global Environmental Section, those in charge at the various overseas subsidiaries and related departments, and the Central Environmental Promotion Committee. We have reached the stage of having confirmed that there are no major disparities with external courses of action, and shared the status of progress on countermeasures within the Company.

We will share external factors such as global trends, including climate change, and changes in laws and regulations that affect business strategies, as well as internal factors such as the progress of each company's environmental measures and future risks and opportunities, in order to examine strategies and measures.

Risks and opportunities

Scenario	Risk/opportunity		Details	Timescale	Financial impact
4°C or higher scenario	Physical risk	Acute	Decrease in sales caused by interruptions to supply chain arising from climate change	Medium term	Large
			Decrease in sales caused by factory stoppages arising from floods or rising sea levels	Medium term	Medium
		Chronic	Increase in expenses associated with maintaining the workplace environment in response to rising temperatures	Long term	Medium
	Transition risk	Policy/legal/regulatory	Increase in expenses and investments associated with strengthened regulation of greenhouse gas emissions, including carbon pricing and carbon duties at national borders	Short term	Large
		Technological	Decrease in sales due to failure to win orders caused by delays in technological response to the shift to EVs	Short term	Large
		Market	Increase in expenses caused by higher prices arising from measures to achieve carbon neutrality for materials (steel sheet)	Medium term	Medium
2°C or lower scenario	Opportunities		Increase in sales caused by soaring energy prices	Long term	Medium
			Increase in sales driven by contribution from weight-saving technology that enhances vehicle fuel/electric cost performance	Medium term	Large
			Increase in sales of EV-related products (battery housings, motor cores)	Medium term	Large
			Decrease in expenses due to more efficient use of energy arising from DX	Short term	Medium

Reference scenario

- 4°C or higher scenario RCP8.5 (IPCC AR5)
- 2°C or lower scenario NZE (IEA 2022)

Timescale

- Short term: less than five years; Medium term: less than 10 years; Long term: up to FY2050

Toward the achievement of a sustainable society

Currently, G-TEKT's Scope 3 "Cat.1: Purchased products and services" accounts for 70% of the total Scopes 1, 2, and 3, of which 99% is steel sheets as raw materials. We recognize that reducing emissions in this area is essential to achieving carbon neutrality. Going forward, raw materials will shift from blast furnace materials to green materials such as electric furnace materials and hydrogen-reduced iron. Accordingly, press dies and welding technology need to be capable of

processing products using green materials, and we aim to internalize this capability as soon as possible. We will establish a mass production system while maintaining and improving the quality of our products, which will remain unchanged. We will also promote the circular economy by recycling scrap, a byproduct of the pressing process, as we have done up until now, and at the same time, reducing the amount of raw material input to increase the yield rate of product materials.