

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

The ELECOM Group consists of parent company, ELECOM, hereafter referred to as ELECOM, and 14 group companies, and is engaged in the development, manufacture, and sale of personal computers and digital equipment-related products, as well as businesses related to these activities. Under the slogan "Lifestyle Innovation," the ELECOM Group's basic policy is to create new values that enrich business and home life with bringing joy to customers. The ELECOM Group's strength lies in three elements; Firstly, its product development capabilities, which enable it to develop products that are compatible with new standards that are constantly evolving and products with excellent design, keeping a close eye on market trends. Secondly, the Group's product sales capabilities which enable it to market its products through a variety of sales channels, including the B-to-C market of not only electronics mass retailers but also discount and lifestyle stores, domestic and international e-commerce, and the B-to-B market, where the Group leverages its strengths to develop services. Last of all, the ability to procure products from affiliated factories in Japan and overseas by comprehensively considering and selecting products based on their quality, cost, and supply system to meet the world's needs. It is the speed that the ELECOM Group's DNA with which it is able to execute these strengths in a prompt and timely manner. Going forward, the ELECOM Group will continue to provide new products and services with even greater speed by broadening its vision not only to what users are looking for, but also to one step ahead of their needs.

The product categories and main products handled are as follows;

- PC-related products: mouse, keyboards, wireless routers, hard disks, USB memory sticks, LAN cables, carrying bags, etc.
- Health care products: body composition analysers, blood pressure monitors, body make-up and body care products, etc.
- Video and audio products: headphones, earphones, speakers, HDMI cables, power strips, etc.
- Camera-related products: camera cases, camera accessories for smartphones, memory cards, etc.
- TV-related products: HDDs for recording, remote controls, display racks, antenna cables, etc.
- Smartphones and tablet PCs: cases, touch pens, protective films, chargers, mobile batteries, etc.
- Car-related products: cigar chargers, car stands/holders, FM transmitters, etc.
- Lifestyle-related products: cooking appliances, USB fans, cup warmers, lighting equipment, kitchen scales, etc.
- Hygiene-related products: face shields, antibacterial and antiviral sheets, UV sterilization boxes, air purification systems, etc.
- Gaming related products: gaming mice, gamepads, controllers, gaming headsets, VR goggles/glasses, etc.
- Furniture: Racks, chairs, partitions, storage units, digital signage stands, etc.
- Custom PCs: Touch panel PCs, rugged tablets, compact PCs, data recovery services, etc.
- Other products and services: Wi-Fi installation, personalized orders, etc.

The ELECOM Group aims to grow and develop by each and every employee delivering joy to customers around the world and contributing to a better global environment and society, based on the credo (management creed) and action guidelines.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	April 1 2019	March 31 2022	Yes	2 years

C0.3

(C0.3) Select the countries/areas in which you operate.

China
Japan
Philippines
Republic of Korea
Singapore

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

JPY

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	JP3168200008

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Operating Officer (COO)	The Board of Directors oversees climate-related issues and decides on measures and key issues related to sustainability including them. The Sustainability Committee, chaired by COO, is responsible for planning and promoting measures and important issues. The COO has recognized climate-related issues as a management challenge and is taking a leading role by directing the establishment of a Sustainability promotion section to more firmly promote sustainability commitment, addressing those issues.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	The Board of Directors convenes once a month and receives reports from the Sustainability Committee on strategies, issues, measures, targets, and progress regarding sustainability, including climate-related issues, on a semiannual or ad hoc basis which the Board advises and oversees. For example, at the Board of Directors meeting held on March 17, a report was received and discussed by the officer in charge regarding the scenario analysis and transition plan based on the TCFD, and the Sustainability Promotion section was instructed to work toward disclosure.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	In addition to the Senior Director (In charge of Finance Department) in charge, external directors with expertise in sustainability, including climate change issues, supervise from a medium- to long-term perspective.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Sustainability committee	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The ELECOM Group considers climate change as an important issue that will have a significant impact on our sustainable growth, and has established a Sustainability Committee with the aim of addressing social issues, including environmental ones, through its business operations and enhancing corporate value. The Sustainability Committee is chaired by the COO and vice-chaired by the Senior Director (In charge of Finance Department) , with external directors participating as observers. In addition, the committee is composed of executives and managers from each company's business organization who serve as promoters. The subcommittee, which includes the chairperson and vice chairperson as well as the promoters from each business organization, meets monthly to identify risks that could hinder sustainable business activities due to climate change and various other factors, propose new business opportunities that could emerge from such risks, determine materiality, KPIs, and other important issues, confirm progress, and formulate countermeasures. Furthermore, the Environmental Conservation Subcommittee of the Sustainability Committee, works with each business organization to promote initiatives related to climate-related issues under the "Environmental Policy," identifies material risks and opportunities based on scenario analysis, and makes recommendations to the Sustainability Committee. The inclusion of representatives from each company's business organization in the Sustainability Committee enables close coordination with business activities and a more concrete understanding of management and social issues in terms of both business opportunities and risks for the long-term growth of the Group and society. Under this structure, the Sustainability Committee is always in close coordination with the management layer with reporting quarterly and on an as-needed basis to the Board of Directors on the efforts to address climate change issues.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Other, please specify (the employee of Product Development Department)	Monetary reward	Emissions reduction project	Targets for the reduction of petroleum-based plastics in product development process are set as performance goals for development department staff, and the degree of achievement of these targets is reflected in their assessments.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	
Medium-term	4	9	
Long-term	10	30	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

In accordance with the TSE, Tokyo Stock Exchange, disclosure regulations, the ELECOM Group identifies matters that may have a significant impact on the financial or strategic aspects of its business and on investors' decisions as follows.

Losses in excess of 3% of consolidated net assets

Consolidated sales fluctuate by 10% or more compared to the forecast for the relevant fiscal year.

Consolidated ordinary income and consolidated net income fluctuate by 30% or more compared to the forecast for the relevant fiscal year.

The Sustainability Committee, Compliance Committee, and Internal Control Committee manage the Group's material risks in cooperation with the Board of Directors, which reports strategies, issues, and countermeasures to the Board of Directors as necessary, and the Board of Directors supervises them.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

The Sustainability Committee determines materiality, KPIs, and other important issues related to sustainability, checks their progress, and formulates countermeasures. Climate-related risks and opportunities were identified across the board based on scenario analysis, led by the Environmental Conservation Subcommittee under the Sustainability Committee and in collaboration with the promoters of each business organization. Significant climate-related risks and opportunities identified from them are deliberated and controlled by the Sustainability Committee. When required depending of severity of risks, these identified risks are reported and supervised to the Board of Directors with strategies, tasks and countermeasures to be overseen.

Case Study (Transition Risk)

【Situation】 In response to the ratification of the Paris Agreement, strict laws and regulations are expected to be enforced, including the introduction of a carbon tax and a border carbon adjustment tax. The ELECOM Group needs to swiftly assess social trends, formulate a transition plan, and implement it.

【Task】 The Group must secure the resources to respond to these changes and take measures to cope with the restrictions on business activities and increased business costs associated with policy and regulatory responses, as well as the environmental awareness of stakeholders, which are expected to bring about changes in markets and categories.

【Action】 The ELECOM Group does not have any manufacturing facilities, so its own carbon dioxide emissions are limited. On the other hand, emissions from contract manufacturing and transportation tend to be larger, and the company considers that the impact of climate change-related issues on the Group's medium- to long-term business risks and opportunities will not be small. Therefore, in addition to reducing CO2 emissions in the ELECOM Group, the company recognizes the need to assess and reduce Scope 3 CO2 emissions. Accordingly, it will begin to monitor Scope 3 emissions in order to reduce them.

Aiming at reducing emissions at the product use stage, the company have created the "THINK ECOLOGY" mark as a symbol to show that our products have less environmental impact than before, promoting efforts toward low-carbon oriented product development.

【Result】 In the fiscal year of 2021, 1,325 model numbers of products for "THINK ECOLOGY" were launched.

Case Study (Physical Risk)

【Situation】 The company assumed a situation where consensus on climate change countermeasures has not been reached and strict laws and regulations have not been applied, especially in developing countries. The temperature will not stop rising, and it will be necessary to respond to a situation where the temperature rises 2.6°C to 4.8°C by the end of the 21st century, natural disasters such as typhoons and torrential rains will occur frequently in wide areas, and heat stroke and mosquito-borne infectious diseases will become more prevalent.

【Task】 The ELECOM Group's strengths lie in its product development and procurement capabilities, which enable it to respond quickly to market demand and trends, and in its robust supply chain which has the sales and logistics capabilities to deliver these products to customers in a timely manner. The Group's strength may be lost if its outsourced manufacturers, offices, or distribution centers are damaged by natural disasters.

【Action】 Aiming to secure logistics functions that can cope with weather-related disasters, the East Japan Distribution Center in Aomi was relocated to Sagami-hara City in Kanagawa and the West Japan Distribution Center in Naruohama to Inagawa Town in Hyogo for prevention from flooding damage caused by high tides and other disasters.

【Result】 The relocation of the distribution centers has prevented damage from storm surges and ensured stable distribution functions, even though more frequent and larger typhoons are expected due to chronic extreme weather.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & Inclusion	Please explain
Current regulation	Relevant, always included	The ELECOM Group is subject to various laws and regulations in Japan and overseas in the course of its business. In Japan, the Group considers various laws and regulations, including the Basic Law for Establishing a Recycling-based Society, the Law for Promotion of Effective Utilization of Resources, and the Containers and Packaging Recycling Law, to be risks related to its business. For example, the Group handles 20,000 or more products, and considering the future growth of the business, an increase in costs due to waste disposal expenditures or a shift to alternative materials could have an impact on profits.
Emerging regulation	Relevant, always included	The ELECOM Group's strengths lie in its product development and procurement capabilities, which enable it to respond quickly to market demand and trends, and in its robust supply chain which has the sales and logistics capabilities to deliver a large number of products to a large number of customers in a timely manner. Therefore, the company believes that any future changes in CO2 emission regulations or environment-related tax rates will pose significant risks to the business, such as product price revisions and profit decline. Since the company outsources its manufacturing to suppliers, its Scope 1 and Scope 2 CO2 emissions are limited, it recognizes that Scope 3 emissions from contract manufacturing and delivery will have no small impact on our business. Therefore, the ELECOM Group anticipates an increase in the cost of purchased raw materials, semi-finished products, products, and services due to higher carbon taxes and CO2 emission regulations inside and outside of Japan.
Technology	Relevant, always included	The ELECOM Group believes that delays in introducing or switching to new technologies in the future will have an impact on its business. For example, if a delay arise in the introduction of low-carbon materials developed with new technologies to replace plastics, a significant impact could occur such as the loss of the product development and procurement speed, which is one of the ELECOM Group's strengths, or sales decline from the standpoint of environmental considerations.
Legal	Relevant, always included	The ELECOM Group aims to expand the number of "THINK ECOLOGY" products, but may be accused of inadequate environmental consideration of the products concerned. The ELECOM Group supplies products worldwide and is required to comply with climate-related laws and regulations in each country and region. If it fails to comply with new regulations, it could be accused of failing to comply with them.
Market	Relevant, always included	The ELECOM Group recognizes that changes in lifestyles and consumer preferences due to climate change will have a significant impact on its business activities. In particular, failure to consider the environment in product development and delays in responding to newly created categories and markets due to lifestyle shifts would have a significant impact on business performance.
Reputation	Relevant, always included	The ELECOM Group recognizes that delays in responding to climate change issues in its business or failing to properly disclose the status of its response to climate change-related issues will lower its reputation among customers, investors, and other stakeholders. In terms of products, products that are not environmentally conscious will not be selected by customers and will be pushed out of the market. In addition, failure to properly disclose the status of environmental responsiveness or performance will result in a loss of investor confidence and an increase in financing costs. As a result, the Group's corporate value would be severely eroded, which would have a significant impact on its overall business.
Acute physical	Relevant, always included	The company considers that the ELECOM Group's business would be severely impacted by the severity of natural disasters such as typhoons and floods, which are associated with climate change, resulting in a decrease in sales and an increase in response costs due to disruptions in the supply chain such as the suspension of the Group's distribution functions and supply from partner factories.
Chronic physical	Relevant, always included	The ELECOM Group believes that chronic climate change such as rising temperatures associated with global warming will also have an impact on its business. Rising temperatures will lead to an increase in the number of days with temperatures over 30°C and days with temperatures over 35°C compared to the present, resulting in higher capital investment costs for company facilities to cope with rising temperatures. In addition, the deterioration of the working environment due to climate change will require a review of working arrangements, which will require Digital Transformation of operations and other improvement costs, which may affect business revenues.

C2.3**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

C2.3a**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.****Identifier**

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Cyclone, hurricane, typhoon
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Primary potential financial impact

Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

As an acute physical risk, extreme weather events such as storm surges, floods and landslides caused by severe typhoons, could cause significant damage to the logistics distribution network. The ELECOM Group had a distribution center in Osaka until January 2022. Western Japan and the Kinki region had been often affected by typhoons that make landfall or pass through the region every year during the typhoon season. In addition, the frequency and scale of typhoons are expected to increase and sea levels to rise in the future. Combined with the actual experience of storm surge damage occurred by Typhoon No. 21 in 2018, the ELECOM Group recognized that the Osaka Distribution Center, which was located in the Kinki region and adjacent to the coast, would have a tremendous negative impact on earnings in the event of a future disaster caused by a large-scale typhoon. The average daily shipment value is approximately 375 million JPY, of which the Osaka Distribution Center accounts for 40%. If flooding and storm surge caused by the typhoon were to inundate the facility and disrupt public infrastructure, such as electricity, it would take approximately four days to fully restore operations, and assuming a frequency of three times a year, a 0.34% reduction in annual sales could be at risk, based on experiences and a 20% loss of shipping opportunities per day.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

360000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

In the event of a storm surge or flooding disaster caused by a large typhoon, there is a risk of significant damages on warehouse facilities located adjacent to the coast. The Osaka Distribution Center, located in the Kinki region, has a high probability of typhoon damage, and could have a significant impact on the Group's earnings if its logistics functions are disrupted due to storm surge or flooding. If a storm surge disaster were to occur and logistics were to be shut down, the Group's daily shipments in the fiscal year of 2021 would be 375 million JPY, 40% of which would come from the Osaka Distribution Center, and assuming a daily opportunity loss rate of 20% and 4 days to restore logistics facilities, and assuming the same disaster occurred 3 times per year, the Group's earnings could be significantly impacted. If the same disaster were to occur three times per year, the following figures would be used
 $375 \text{ million JPY} \times 40\% \times 20\% \times 4 \text{ days} \times 3 \text{ times} = 360 \text{ million JPY}$.

Cost of response to risk

4000000000

Description of response and explanation of cost calculation

Case Study

【Situation】 As an acute physical risk, a storm surge or flood caused by a large typhoon associated with extreme weather could shut down logistics functions. The suspension of logistics functions may result in a risk of reduced sales.

【Task】 To avoid this risk, it is necessary to relocate the logistics base in question.

【Action】 In February 2022, the Osaka Distribution Center, which handles 40% of the Group's shipments, was relocated to Inagawa-cho, Hyogo Prefecture, in order to reduce opportunity losses by suspension of shipment and to strengthen logistics functions.

【Result】 The relocation is expected to have an annual effect of 800 million JPY by avoiding the risk of storm surge and flooding and strengthening logistics functions.

【Breakdown of risk response costs】 Buildings, equipment, and relocation costs

Comment**Identifier**

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Reputation	Increased stakeholder concern or negative stakeholder feedback
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Primary potential financial impact

Other, please specify (Decrease in market capitalization due to lower stock price)

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

In recent years, there's growing emphasis on non-financial ESG factors in addition to financial information for investors' investment decisions. Under such circumstances, if the ELECOM Group's response to climate change and its information disclosure are inadequate, there is a risk of a loss of public trust in the Group, which eventually leads to a decline in the share price. Foreign investors account for approximately 18% of the ELECOM Group's total shareholdings, considering that the demand from foreign investors for information disclosure and initiatives on climate change issues will grow even further.

Based on the share price at the beginning of the fiscal year of 2022 (1,522 JPY), if the share price were to fall to the lowest price of the same year (1,319 JPY), the market capitalization would be affected by 92,221 thousand shares outstanding as of March 31, 2022 $\times (1,522 \text{ JPY/share} - 1,319 \text{ JPY/share}) = 18,720 \text{ million JPY}$.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

18720000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

If the CDP evaluation or the MSCI or FTSE score based on it does not meet the investment criteria, the company believes that our corporate value may fall and the stock

price may drop accordingly. Based on the share price at the beginning of the fiscal year of 2022 (1,522 JPY), if the share price were to fall to the lowest price of the same year (1,319 JPY), the market capitalization would be affected by 92,221 thousand shares outstanding as of March 31, 2022 $\times (1,522 \text{ JPY/share} - 1,319 \text{ JPY/share}) = 18,720$ million JPY.

Cost of response to risk

20000000

Description of response and explanation of cost calculation

Case Study

【Situation】 If The ELECOM Group's business does not address climate change issues and its information disclosure is inadequate, there is a risk that it will lose public trust and its stock price will decline.

【Task】 In order to reduce this risk, it is necessary to proactively address climate change issues and disclose information on climate change, and therefore establishment of a framework is deemed appropriate to promotion of initiatives.

【Action】 The ELECOM Group has improved sustainability-related initiatives since 2020 and released a sustainability report in June 2021. These sustainability-related initiatives have been carried out in a project format, with personnel selected from key divisions to be in charge of these initiatives. However, in the future, it will be necessary to expand these initiatives to the entire supply chain, including non-Japanese group companies and contract manufacturers, and to achieve this in a shorter period of time, in April 2022 a Sustainability Promotion Section was established directly under the president of ELECOM to promote initiatives systematically and comprehensively.

【Result】 The company concludes that the establishment of a department specializing in promoting sustainability-related issues will make the company more specialized than ever before, enabling higher quality responses and information disclosure in a shorter period of time, and consequently, TCFD and CDP reporting that will meet investors' standards. Therefore, the company expects that the risk of share price declines due to weak corporate value, MSCI and FTSE scores can be avoided.

【Breakdown of risk response expenses】 Personnel expenses

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The ELECOM Group has many product items and delivers them to a large number of customers on a daily basis. The development of laws and regulations and policies to combat climate change issues is expected to lead to higher costs via higher carbon taxes, the shift to EV trucks by delivery companies, and the switch to renewable energy, which will be passed on to the unit price of delivery and increase delivery costs. Assuming an average price increase of 14% per package based on past delivery cost increases, and estimating based on the number of packages shipped and average delivery unit price in 2021, there could be a risk of a delivery cost increase of 56 JPY per package.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

187000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The ELECOM Group believes that the development of laws and regulations and policies to combat climate change issues will cause higher carbon taxes, the shift to EV trucks, and the switch to renewable energy sources, which will increase costs for delivery companies, which will be passed on to unit delivery prices, thereby increasing delivery costs. Based on the past track record of delivery cost increases, assuming a price increase of 56 JPY per package and the number of packages shipped in 2021, there is a risk that delivery costs could increase by 187,000,000 JPY.

Cost of response to risk

4000000000

Description of response and explanation of cost calculation

Case Study

【Situation】 The ELECOM Group has many product items and delivers them to many customers every day. The development of laws, regulations, and policies to combat climate change issues may cause the carbon tax to rise, delivery companies to shift to EV trucks and to switch to renewable energy sources, which will increase costs, which will be passed on to the unit price of delivery and may increase delivery costs.

【Task】 To avoid this risk, delivery efficiency needs to be higher and cargo handling costs lower than before.

【Action】 In February 2022, the ELECOM Group moved its distribution center from Osaka to Inagawa-cho, Hyogo. In Hyogo Distribution Center a cross-case sorter and "ipac" (sealing system with automatic case height adjustment) have been implemented to improve logistics efficiency.

【Result】 With the introduction of the cross-case sorter and "ipac", the conventional manual labor has been drastically reduced compared to that in Osaka Distribution Center, and logistics capacity has been approximately doubled. As a result, annual cargo handling costs are expected to be reduced by 440 million JPY.

【Breakdown of risk response expenses】 Building, equipment, and relocation costs

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Society as a whole, including major customers, has become more concerned about environmental issues. With laws, regulations and policies to combat climate change evolving and customers' product preferences changing, consequently there is a risk that customers will not choose products that are not environmentally conscious. On the other hand, the ELECOM Group recognizes that strategic measures to address this issue may bring business opportunities to the Group. Most of the products and packages handled by the ELECOM Group are made of plastic, and many of them require instruction manuals to be attached to the product. In response to these issues, the ELECOM Group has introduced its own definition of environment-conscious products, aiming to reduce the use of plastic and eliminate instruction manuals, and thus has begun efforts to eliminate or reduce these items. As a strategic response, the Group has created the "THINK ECOLOGY" mark as a symbol to show that its products have less environmental impact than conventional products, and will promote efforts to develop environment-conscious products and expand sales.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

3118810646

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The EU and other countries around the world are rapidly reducing plastics. Due in part to the influence of stricter regulations on the import of waste plastics generated in other countries, Japan is also becoming increasingly active in the reduction of plastic waste, and may begin to impose stricter regulations like those in the EU. In fact, the Japanese government has already set a policy to introduce about two million tons of biomass plastics by 2030 and to effectively use 100% of used plastics through reuse, recycling, etc. by 2035. Against this backdrop, the ELECOM Group has pioneered in the industry the adoption of the "THINK ECOLOGY" mark as a symbol to indicate that its products have less environmental impact than conventional products. As a specific measure, the company has established seven criteria for energy and resource conservation, with particular emphasis on reducing the amount of plastic materials used in packaging. The company is striving to be environmentally conscious by "reducing emissions of petroleum-based plastic materials" through downsizing packages, reducing the number of internal calibration parts, and replacing them with plant-based plastics and recycled materials. In addition, the company is converting the paper manuals included with its products to web manuals. The QR code on the package leads to the web manual, which can be viewed on the web to reduce paper consumption and waste. As a leader in the industry, the company expects to continue expanding its sales by increasing the number of environment-conscious product items, making full use of its product development capabilities to constantly meet the demands of society and consumer preferences.

Sales of "THINK ECOLOGY" mark products accounted for 3% of the Group's sales during the reporting year, and the more number of applicable model numbers is expected to go on the market in the next fiscal year and in the following years.

Cost to realize opportunity

11700000

Strategy to realize opportunity and explanation of cost calculation

Case Study

【Situation】 The society as a whole, including major customers, is becoming more concerned about environmental issues, and as laws and regulations and policies to combat climate change are progressing, customers' product preferences are changing, and there arises a risk that customers will not choose products that are not environmentally friendly. However, there is a good possibility that the Group will be able to take advantage of business opportunities by responding strategically to these changes.

【Task】 To take advantage of this opportunity, the company needs to strategically address environmental issues, such as the elimination of plastic from products and packaging, and the discontinuation of paper instruction manuals.

【Action】 Ahead of others in the industry, the company established the "THINK ECOLOGY" mark as a symbol to show that its products have less environmental impact than conventional products. As a concrete measure, the company has adopted seven criteria, including energy and resource conservation, with particular emphasis on the reduction of plastic materials used for packaging.

【Result】 As a leader in the industry, the company will be able to increase the number of environmentally friendly product items by making full use of its product development capabilities to constantly meet the demands of society and consumer preferences, thereby driving out sales of other companies in the industry.

【Breakdown of expenses】 Package design fees, web development costs, labor costs, etc., for the changed model numbers.

Comment**Identifier**

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Markets

Primary climate-related opportunity driver

Access to new markets

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

In recent years, the frequency of disasters associated with climate change has been rising, and the need for emergency supplies has been discussed within the company from a BCP perspective. However, the company decided that emergency supplies were not expected to be in continuous demand and did not fit their business model, taking into account inventory storage periods and other factors. The company then proceeded to consider "phase-free" as a keyword for widening application of ordinary items to emergency supplies and came to the conclusion that outdoor products could realize this goal, which was then chosen as the theme of the project. The company then proceeded to plan and develop outdoor products, and entered the outdoor market in 2022.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

20224400

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

In recent years, demand for emergency supplies has been growing due to the increased frequency of disasters caused by climate change. Therefore, the company entered the outdoor market by starting development of outdoor products with the keyword of "phase-free products" in which items used in daily life can widen application to emergency. This entry is already expected to increase sales by 60 million JPY in FY2022 at the beginning of the period.

Cost to realize opportunity

2612000

Strategy to realize opportunity and explanation of cost calculation

Case Study

【Situation】 In recent years, demand for emergency supplies has increased due to the increased frequency of disasters caused by climate change. However, the company does not anticipate continuous demand for emergency supplies, and the storage and handling of such inventory does not fit its business model.

【Task】 In the context of climate change adaptation, the company is hoping to contribute in the area of emergency preparedness by taking advantage of its strength in business.

【Action】 The company re-examined its plan with the keyword "phase-free," meaning that items used in everyday life could be substituted for emergency supplies.

【Result】 The company came to the conclusion that outdoor products can be used as disaster prevention goods in times of disaster, and proceeded with the planning and development of outdoor products, entering the outdoor market in 2022.

【Breakdown of expenses】 The development of the product required PSE certification, waterproofing and dustproofing tests, and mould adjustment costs.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

The ELECOM Group's strengths lie in its product development and procurement capabilities, which enable it to respond quickly to market demand and trends, and in its robust supply chain which has the sales and logistics capabilities to deliver these products to customers in a timely manner. Therefore, if CO2 emission regulations or environment-related tax rate hikes occur in the future, the ELECOM Group considers them as a significant risk to its business. As one of the measures to address this issue, it is engaged in improving the efficiency of its logistics functions. In February 2022, the ELECOM Group relocated its distribution center from Osaka to Inagawa-cho, Hyogo. With the installation of a cross-case sorter and "ipac" (a sealing system with automatic case height adjustment function) for the improvement of logistics efficiency in Hyogo Distribution Center, the conventional manual labour and an annual cargo handling costs are expected to be drastically reduced compared to those in Osaka Distribution Center.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

440000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

With the introduction of the cross-case sorter and "ipac", the conventional manual labor has been drastically reduced and logistics capacity has been approximately doubled. As a result, annual cargo handling costs are expected to be reduced by 440 million JPY.

Cost to realize opportunity

400000000

Strategy to realize opportunity and explanation of cost calculation

Case Study

【Situation】 The ELECOM Group has a large number of customers. The ELECOM Group has many product items and delivers them to many customers on a daily basis. In response to climate change issues, there is a risk that new laws and policies on CO2 emissions will require environmental responses to deliveries and the associated efficiency improvements that will be required in the future.

【Task】 To take this opportunity, delivery efficiency needs to be higher than before.

【Action】 In February 2022, the Elecom Group moved its distribution center from Osaka to Inagawa-cho, Hyogo. In Hyogo Distribution Center a cross-case sorter and "ipac" (sealing system with automatic case height adjustment) have been implemented to improve logistics efficiency.

【Result】 With the introduction of the cross-case sorter and "ipac", the conventional manual labor has been drastically reduced compared to that in Osaka Distribution Center, and logistics capacity has been approximately doubled. As a result, annual cargo handling costs are expected to be reduced by 440 million JPY.

【Cost Breakdown】 Building, equipment, and relocation costs

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

Publicly available transition plan

<Not Applicable>

Mechanism by which feedback is collected from shareholders on your transition plan

<Not Applicable>

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your transition plan (optional)

<Not Applicable>

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

Because the use of Scope 1 and Scope 2 in our company is small due to the nature of our business type. Drastic changes to be proposed in the management strategy by climate change issue are not expected at this moment. Anyway, based on the awareness of the climate change issue, the ELECOM Group positively disclose the analysis on risks, opportunities and a strategy based on TCFD guideline by using other appropriate opportunities.

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios IEA SDS	Company-wide	<Not Applicable>	The ELECOM Group conducts its analysis in accordance with the IEA SDS, which is consistent with the "1.5°C and 2°C" goals of the Paris Agreement. 【Parameters】 Carbon tax (IEASDS), personal computer market forecast (global PC market forecast based on JEITA "AV&IT Equipment Global Demand Trends Survey"), biomass plastic introduction amount (the roadmap for bioplastic introduction in January 2021 by Ministry of the Environment, Ministry of Economy, Trade and Industry, and Ministry of Agriculture, Forestry and Fisheries), etc. 【Assumption】 Low-carbon policies and low-carbon technologies are assumed to be drastically introduced and primary energy use to decline in the 2020s. The carbon prices are assumed to be US\$120 in 2030 and US\$200 in 2050 for developed countries declaring Net-zero Emissions, US\$100 in 2030 and US\$160 in 2050 for developed countries not declaring Net-zero Emissions, US\$40 in 2030 and US\$160 in 2050 for China, US\$40 in 2030 and US\$160 in 2050 for the developing countries declaring Net-zero Emissions, and US\$95 in 2050 for the developing countries not declaring Net-zero Emissions. The use of biomass plastics is also advancing, either by regulation or by social demand, and we assume that about 2 million tons can be introduced in Japan by 2030. 【Analytical Selection】 Since ELECOM Group is a fabless manufacturer and relies on many countries, especially in Asia for its manufacturing process, and its customers and users are spread all over the world, the carbon price by region in World Energy Outlook 2021 Table B.2 is used as a reference.
Physical climate scenarios RCP 8.5	Company-wide	<Not Applicable>	ELECOM Group has analyzed the scenario in which no climate change measures are taken, referring to RCP8.5, etc. 【Parameters】 Global average temperature (IPCC AR6), probability of flooding (Technical Panel on Climate Change-based Flood Control Planning, "Study on Climate Change-based Flood Control Planning") 【Assumptions】 The global average temperature is assumed to increase by about 1.6°C from 2021 to 2040, by about 2.4°C from 2041 to 2060, and by about 4.4°C from 2081 to 2100. Flood frequency is assumed to quadruple by 2040. 【Analytical Selection】 Since ELECOM Group is a fabless manufacturer and relies on many countries, especially in Asia for its manufacturing process, and since its customers and users are spread all over the world, the global average temperatures and other data from the IPCC report are used as reference.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

The ELECOM Group recognizes that its strengths lie in its product development and procurement capabilities which enable it to respond quickly to market demand and trends, and in its robust supply chain which has the sales and logistics capabilities to deliver those products to customers in a timely manner. If there is a delay in responding to regulations and policies associated with the transition, or if measures are not taken to respond to climate change-related disasters, the ELECOM Group will lose the strengths and uniqueness it has long possessed, and risk undermining the sustainability of its business.

Results of the climate-related scenario analysis with respect to the focal questions

As a result of the analysis, under the 2°C scenario, strict laws, regulations, and policies will be enacted to address climate change, and the cost of addressing climate change will rise as carbon taxes soar and the switch to renewable energy increases. Particularly in delivery costs, the risk is that delivery companies will pass on climate change response costs to delivery charges. In addition, if there is a delay in responding to climate change or insufficient disclosure of such information amid the growing low-carbon orientation throughout the society and customers, the ELECOM Group will lose social credibility and its stock price will decline. As a result, there is a risk of a decline in market capitalization, which could lead to a downturn in corporate value. On the other hand, under the 4°C scenario, the lack of consensus on climate change countermeasures and the lack of progress in introducing strict laws and regulations will result in an unstoppable rise in temperatures, and climate change-related disasters will be more severe and more frequent than at present. As a result, various resources, such as company equipment functions and employee labor productivity, are at risk of being damaged or affected by disasters more than ever before.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	1) Grounds for Relevance: It is expected that the global trend toward decarbonization and low-carbon emissions will accelerate and that society and customers will become even more low-carbon oriented in the future. In particular, the company expects that businesses will be increasingly required to respond to plastic products that surround consumers' lives, as they pose various risks to the planet, such as CO2 emissions that bring about climate change, natural resource depletion, and marine plastic wastes that threaten ecosystems. 2) Impact on strategy: Time horizon: 3-5 years. The ELECOM Group has many products and packages that contain plastic, and recognizes the need to reduce the use of such products and packages and to switch to alternative materials. 3) Case Study [Situation] The company is required to reduce CO2 emissions at the product manufacturing and use stages. [Task] The ELECOM Group's products are not energy-intensive products, but the Group recognizes the need for a low-carbon orientation in terms of both risk reduction and opportunity creation. [Action] The ELECOM Group is working to reduce the environmental impact of the products and packages it handles by replacing them with products selected under the "THINK ECOLOGY" program, which aims to minimize the environmental burden of products and packages. [Result] The amount of plastic used for those packages was reduced by 117.5 tons. In the fiscal year of 2022, the company will continue to replace the plastic used in its packaging with products selected for "THINK ECOLOGY".
Supply chain and/or value chain	Yes	1) Grounds for Relevance: Acute physical risks include extreme weather events such as storm surge, flooding, and landslides caused by severe typhoons, which can cause significant damage to logistics distribution networks. 2) Impact on strategy: Time horizon 1-5 years. The company made a management decision to relocate its distribution center in order to improve the efficiency and resilience of its distribution network. 3) Case Study [Situation] The Osaka Distribution Center, which handles deliveries for the ELECOM Group's western Japan region, is located adjacent to the coast. In the past, the center has suffered damage as typhoons often pass through western Japan during the typhoon season, and if the frequency of typhoons increases and their magnitude increases in the future due to abnormal weather, storm surges and flooding are expected to cause 360 million JPY/year in damage. [Task] Relocation of the Osaka Distribution Center was considered necessary in order to ensure a stable supply of products. [Actions] The Osaka Distribution Center was relocated in February 2022 to address both physical and transition risks. With this relocation, the risk of damage from storm surge was eliminated, and the "ipack" device was introduced to ensure proper packaging to cope with increased delivery costs. The company will continue to implement measures to strengthen resilience and improve delivery efficiency in the supply chain. [Result] Although the company has not yet experienced a typhoon season since the relocation, it continues to maintain a stable supply.
Investment in R&D	Yes	1) Grounds for Relevance: Society as a whole, including major customers, is becoming more concerned about environmental issues, and as laws, regulations, and policies to combat climate change progress, customers' product preferences will vary, and there is a risk that customers will not choose products that are not environmentally conscious in the future. 2) Impact on strategy: Time horizon: 3-5 years. Environmental performance will be added as an appeal point of the product. 3) Case Study [Situation] The ELECOM Group handles a large number of products and packages that use plastic, and there are also a large number of products that require the attachment of instruction manuals for product handling. [Task] The ELECOM Group is required to reduce the amount of plastic used in its products and to eliminate instruction manuals. [Action] The ELECOM Group has set its own definition of environmental consciousness, and has been promoting initiatives to eliminate or reduce plastic and paper as "THINK ECOLOGY" certified products since FY2021. [Result] In the fiscal year of 2021, 1,325 model numbers were certified. The evaluation by customers has been favourable, and in the fiscal year of 2022, 1,128 model numbers are scheduled to be certified, out of a total of 20,580 model numbers.
Operations	Yes	1) Grounds for Relevance: In order to realize a low-carbon society, it is necessary to develop business strategies that take climate change issues into consideration. Since the ELECOM Group is increasingly dependent on suppliers for production, it is also required to work together with suppliers. 2) Effect on strategy: Time frame: three to ten years. In addition to cost and performance, a strategy and system to collaborate with suppliers on environmental burden is required. 3) Case Study [Situation] The ELECOM Group uses greenhouse gas emissions volumes resulting from group-wide business activities as an indicator for managing climate change-related risks. As of 2021, the Group's monitored emissions are only limited to Japanese group companies. [Issue] It is necessary to establish a system to monitor emission volumes from all group companies, including those outside of Japan. Evaluation of Scope 3 emissions also need to be accelerated from the review stage to the disclosure stage. [Action] In order to establish medium- and long-term targets, in 2022 the Group has expanded the monitoring of emissions from each local branch to the entire group, and has also adopted a unified method to improve the accuracy of the monitoring. In addition, the ELECOM Group does not have its own manufacturing facilities, and that the amount of carbon dioxide emitted by contracted manufacturers and transportation accounts for a large portion of the total supply chain emissions. The Group is working to set specific measures and targets for CO2 emission reductions by 2050 by determining the emissions of the entire group, including contracted manufacturers and transportation. [Result] Awareness of climate-related issues among the ELECOM Group companies has improved, fostering the soil for establishing the transition plan

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues	【Situation】 The ELECOM Group considers that extreme weather events such as storm surges, floods, and landslides caused by severe typhoons have the potential to inflict significant damage on logistics distribution networks. In western Japan and the Kinki region where the Group's key distribution center locates, storm surges and landfalls caused by typhoons have been experienced. In the Kanto region where the Group's another key distribution center locates, floodings and landslides caused by torrential rains or continuing rainy days have been experienced, especially in recent years. In addition, the frequency and severity of typhoons are expected to increase and the amount of rainfall is also expected to intensify due to progress of climate change. 【Task】 The ELECOM Group has distribution centers in Kanagawa and Hyogo prefectures, and the average daily shipment value of both centers is approximately 375 million JPY. If flooding caused by a typhoon were to inundate the facilities and disrupt public infrastructure such as electricity, the company estimates that it would lose 20% of its daily shipment opportunities based on past cases, and that it would take approximately four days to fully restore operations, assuming a frequency of three times a year. 【Actions】 Inventory is distributed between Kanagawa and Hyogo and a backup system is being secured in case one of the two prefectures is hit by a disaster. 【Result】 There were no delays in product shipments in the fiscal year of 2021.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

No target

C4.1c

(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.

	Primary reason	Five-year forecast	Please explain
Row 1	We are planning to introduce a target in the next two years	The ELECOM Group does not have any manufacturing facilities, so in-house carbon dioxide emissions which fall under Scope 1 and Scope 2 are limited. In addition, the Group plans to promote Digital Transformation of its operations and introduce telework and smart offices, and over the next five years, its own emissions are expected to diminish, in contrast to the Group's growth. On the other hand, there is concern about an increase in carbon dioxide emissions at contract manufacturers, as their production volume will increase in line with the Group's growth.	In order to measure the carbon dioxide emissions of the entire supply chain of the ELECOM Group, collecting and calculating the emissions from Japanese group companies has been initiated since 2020. Currently, establishment of a process to collect the emissions from our overseas subsidiaries and contract manufacturers is on its way. To ensure reliable emissions evaluation and following achievable target setting for the entire group, the company will be promoting communication with group companies and contract manufacturers in a careful manner by considering their challenges including impact of COVID-19 to establish a framework to collect and analyse emissions. For Scope 3 emissions, including Category 1: purchased goods and services, the company has started discussion on definitions of the calculation and a process to achieve reliable calculation of emissions and the establishment of feasible and effective targets within the next two years.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*		
Implemented*	2	297
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Waste reduction and material circularity	Product/component/material reuse
--	----------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

203

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 12: End-of-life treatment of sold products

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

50875990

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

The company collect used its product of printer ink cartridges from consumers using collection boxes installed at our supplier's stores nationwide. These cartridges are recycled by the manufacturer, reducing CO2 emissions due to disposal.

Initiative category & Initiative type

Low-carbon energy generation	Solar PV
------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

94

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

12000000

Investment required (unit currency – as specified in C0.4)

127000000

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

This installation is expected to provide the bulk of the electricity for the INA Solutions headquarters facility.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Based on the Basic Law for Establishing a Recycling-based Society, the Law for Promotion of Effective Utilization of Resources, the Containers and Packaging Recycling Law, and other laws and regulations, the company is shifting to products and packages with lower CO2 emissions that comply with the THINK ECOLOGY standards.
Employee engagement	In accordance with the ELECOM Group's environmental policy, the company uses methods to work with employees to improve business processes and reduce resource use without investment.
Dedicated budget for low-carbon product R&D	The company secures the budget to accelerate development and launch of the THINK ECOLOGY products.
Dedicated budget for energy efficiency	The company secures the budget to replace aging or low energy efficiency equipment with energy-efficient equipment.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify (The ELECOM Group displays the "THINK ECOLOGY" mark on products that meet ELECOM's independently established standards as a symbol that the product has a lower environmental impact than conventional products.)

Type of product(s) or service(s)

Other	Other, please specify (Product groups corresponding to the "THINK ECOLOGY" criteria for environment-consciousness.)
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Description of product(s) or service(s)

Products that meet the following seven criteria are defined as "THINK ECOLOGY" compliant products.

- ① Energy saving
- ② Resource saving
- ③ Waste reduction
- ④ Reduction of plastic volume
- ⑤ Use of recycled materials
- ⑥ Use of alternative raw materials for petroleum-based plastics
- ⑦ Promotion of recycling and reuse

The initiative has been in place since 2021, and was implemented at 1,325 model numbers in the fiscal year of 2021. In the fiscal year of 2022, 1,128 model numbers are already underway.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify (Ministry of the Environment, "List of Formulas and Emission Factors for Calculating Greenhouse Gas Emissions", "Database of Emission Units for Calculating Greenhouse Gas Emissions")

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Cradle-to-grave

Functional unit used

Each product using plastics

Reference product/service or baseline scenario used

Containers and packaging that are 20% or more lighter in plastic weight than the product in accordance with the company's internal standards, or a reduction of 20% or more in the weight of plastic used in the manufacture of containers and packaging of the same size or larger than the in-house standard product.

Life cycle stage(s) covered for the reference product/service or baseline scenario

Cradle-to-grave

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

746.12

Explain your calculation of avoided emissions, including any assumptions

For products that are environmentally responsible and meet the "THINK ECOLOGY" criteria, the total amount of plastic reduced per product was calculated from the amount of plastic reduced and the sales volume. The total plastic reduction from manufacturing to disposal of the subject products was calculated based on the "List of Formulas and Emission Factors for Calculating Greenhouse Gas Emissions" and the "Emission Unit Database for Calculating Greenhouse Gas Emissions of Organizations throughout the Supply Chain." by the Ministry of the Environment.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

3

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

Yes

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

April 1 2019

Base year end

March 31 2020

Base year emissions (metric tons CO2e)

783.35

Comment

Group companies and production sites. The scope of reporting is limited to production sites, distribution centers, headquarters, offices in Japanese Group companies.

Scope 2 (location-based)

Base year start

April 1 2019

Base year end

March 31 2020

Base year emissions (metric tons CO2e)

1874.77

Comment

Group companies and production sites. The scope of reporting is limited to production sites, distribution centers, headquarters, offices in Japanese Group companies.

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 1: Purchased goods and services

Base year start

April 1 2021

Base year end

March 31 2022

Base year emissions (metric tons CO2e)

1568.2

Comment

The scope of reporting is limited to the business activities of ELECOM itself.

Scope 3 category 2: Capital goods

Base year start

April 1 2021

Base year end

March 31 2022

Base year emissions (metric tons CO2e)

10972.53

Comment

The scope of reporting is limited to the business activities of ELECOM itself.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

April 1 2021

Base year end

March 31 2022

Base year emissions (metric tons CO2e)

444.82

Comment

The scope of reporting is limited to the business activities of ELECOM itself.

Scope 3 category 4: Upstream transportation and distribution

Base year start

April 1 2021

Base year end

March 31 2022

Base year emissions (metric tons CO2e)

7117.45

Comment

The scope of reporting is limited to the business activities of ELECOM itself.

Scope 3 category 5: Waste generated in operations

Base year start

April 1 2021

Base year end

March 31 2022

Base year emissions (metric tons CO2e)

163.45

Comment

The scope of reporting is limited to the business activities of ELECOM itself.

Scope 3 category 6: Business travel

Base year start

April 1 2021

Base year end

March 31 2022

Base year emissions (metric tons CO2e)

779.45

Comment

The scope of reporting is limited to the business activities of ELECOM itself.

Scope 3 category 7: Employee commuting

Base year start

April 1 2021

Base year end

March 31 2022

Base year emissions (metric tons CO2e)

248.65

Comment

The scope of reporting is limited to the business activities of ELECOM itself.

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superceded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)

C6. Emissions data

C6.1

(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year
Gross global Scope 1 emissions (metric tons CO2e)
805.64
Start date
April 1 2021
End date
March 31 2022
Comment
The scope of reporting is limited to production sites, distribution centers, headquarters, offices in Japanese Group companies.
Past year 1
Gross global Scope 1 emissions (metric tons CO2e)
781.11
Start date
April 1 2020
End date
March 31 2021
Comment
The scope of reporting is limited to production sites, distribution centers, headquarters, offices in Japanese Group companies.
Past year 2
Gross global Scope 1 emissions (metric tons CO2e)
783.35
Start date
April 1 2019
End date
March 31 2020
Comment
The scope of reporting is limited to production sites, distribution centers, headquarters, offices in Japanese Group companies.

C6.2

(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

Row 1
Scope 2, location-based
We are reporting a Scope 2, location-based figure
Scope 2, market-based
We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure
Comment
Many of the offices are leased, and contractually the company can’t choose low carbon menu option for electricity, such as renewable energy, on its own free will.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

2044.63

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

April 1 2021

End date

March 31 2022

Comment

The scope of reporting is limited to production sites, distribution centers, headquarters, offices in Japanese Group companies.

Past year 1

Scope 2, location-based

1983.8

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

April 1 2020

End date

March 31 2021

Comment

The scope of reporting is limited to production sites, distribution centers, headquarters, offices in Japanese Group companies.

Past year 2

Scope 2, location-based

1874.77

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

April 1 2019

End date

March 31 2020

Comment

The scope of reporting is limited to production sites, distribution centers, headquarters, offices in Japanese Group companies.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Group companies outside Japan

Relevance of Scope 1 emissions from this source

Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source

Emissions are relevant but not yet calculated

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are relevant but not yet calculated

Explain why this source is excluded

For Group companies outside of Japan, needed information is incomplete for the reporting year due to an inadequate reporting system to evaluate them. In addition, the amount of emissions is relatively small compared to the group as a whole, so they are excluded at this time. The company plans to establish a system to accurately assess these companies in the near future.

Estimated percentage of total Scope 1+2 emissions this excluded source represents

Explain how you estimated the percentage of emissions this excluded source represents

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**Purchased goods and services****Evaluation status**

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

1568.2

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The amount of purchases of office supplies, office equipment, cardboard, copy paper, vouchers, dies, maintenance fees, and other products and services necessary for business activities acquired during the subject period was taken as the basic unit and multiplied by the value listed in the "Emission Unit Database for Calculating Greenhouse Gas Emissions of Organizations through Supply Chains".

The scope of reporting is limited to the business activities of ELECOM itself.

Capital goods**Evaluation status**

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

10972.53

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The amount of fixed asset purchases acquired during the subject period was multiplied by the value listed in the "Emission Intensity Database for Calculating Greenhouse Gas Emissions, etc. of Organizations through Supply Chains" as the basic unit.

The scope of reporting is limited to the business activities of ELECOM itself.

Fuel-and-energy-related activities (not included in Scope 1 or 2)**Evaluation status**

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

444.82

Emissions calculation methodology

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Electricity, gas, and petrol used during the reporting year were multiplied as basic units by the values listed in the "Emission Intensity Database for Calculating Greenhouse Gas Emissions of Organizations through Supply Chains (Ver. 3.2) or IDEA Ver. 2.3".

The scope of reporting is limited to the business activities of ELECOM itself.

Upstream transportation and distribution**Evaluation status**

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

7117.45

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The costs for such as shipping freight, return shipping, promotional material shipping, domestic freight, and overseas freight incurred during the subject period were multiplied by the values listed in the "Emission Intensity Database for Calculating Greenhouse Gas Emissions of Organizations through Supply Chains" as basic units.

The scope of reporting is limited to the business activities of ELECOM itself.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

163.92

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The costs for such as waste disposal of materials and outsourced waste disposal (industrial waste) incurred during the subject period were multiplied by the values listed in the "Emission Unit Database for Calculating Greenhouse Gas Emissions of Organizations through Supply Chains" as basic units.

The scope of reporting is limited to the business activities of ELECOM itself.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

779.45

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The costs for such as employee travel and transportation incurred during the subject period were multiplied by the values listed in the "Emission Unit Database for Calculating Greenhouse Gas Emissions of Organizations through Supply Chains" as basic unit.

The scope of reporting is limited to the business activities of ELECOM itself.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

248.65

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The costs for commuting paid to employees during the subject period was multiplied by the value listed in the "Emission Intensity Database for Calculating Greenhouse Gas Emissions of Organizations through Supply Chains" as an basic unit.

The scope of reporting is limited to the business activities of ELECOM itself.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Excluded in the scope of calculation (no emissions) ; no project activities fall under the category of project activities.

Downstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Considered Relevant but not yet calculated. The ELECOM group's products are used by the tremendous number of people worldwide. Understanding of transportations of the products to these end users in distances and weights are too complex. The fact makes emission evaluation challenging. The company is exploring scenarios for reasonable evaluation.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Excluded in the scope of calculation (no emissions) ; no project activities fall under the category of project activities.

Use of sold products

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Considered Relevant but not yet calculated. The ELECOM group provides almost 20,000 products such as USB memory, LAN cable, mouse, hard disk drive, speaker, DVD drive, printer ink etc. Though most of them are not energy intensive, (1) the difficulty of measuring energy consumption in the actual environment of use, (2) the difficulty of assuming product lifetime, and (3) the existence of a wide variety of products, make emission evaluation extremely difficult. The company is exploring scenarios for reasonable evaluation.

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Considered Relevant but not yet calculated. The ELECOM group provides almost 20,000 products such as USB memory, LAN cable, mouse, hard disk drive, speaker, DVD drive, printer ink etc. Disposal methods vary from product to product and from country to region and cannot be evaluated uniformly. The company is exploring scenarios for reasonable evaluation.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Excluded in the scope of calculation (no emissions) ; no project activities fall under the category of project activities.

Franchises

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Excluded in the scope of calculation (no emissions) ; no project activities fall under the category of project activities.

Investments

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Excluded in the scope of calculation (no emissions) ; no project activities fall under the category of project activities.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Excluded in the scope of calculation (no emissions) ; no project activities fall under the category of project activities.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Excluded in the scope of calculation (no emissions) ; no project activities fall under the category of project activities.

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

End date

Scope 3: Purchased goods and services (metric tons CO2e)

Scope 3: Capital goods (metric tons CO2e)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Scope 3: Upstream transportation and distribution (metric tons CO2e)

Scope 3: Waste generated in operations (metric tons CO2e)

Scope 3: Business travel (metric tons CO2e)

Scope 3: Employee commuting (metric tons CO2e)

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

Past year 2

Start date

End date

Scope 3: Purchased goods and services (metric tons CO2e)

Scope 3: Capital goods (metric tons CO2e)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Scope 3: Upstream transportation and distribution (metric tons CO2e)

Scope 3: Waste generated in operations (metric tons CO2e)

Scope 3: Business travel (metric tons CO2e)

Scope 3: Employee commuting (metric tons CO2e)

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000000269

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

2850.26

Metric denominator

unit total revenue

Metric denominator: Unit total

106106551453

Scope 2 figure used

Location-based

% change from previous year

4

Direction of change

Increased

Reason for change

In the fiscal year of 2021, energy consumption increased along with the progress of the COVID19 vaccination and stronger business activities than in the previous fiscal year. At the same time, it also saw a decline in energy consumption efficiency due to the continuously grappling with COVID19 such as increased ventilation frequencies.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	805.63	Other, please specify (Ministry of the Environment, Japan "List of Calculation Methods and Emission Factors for Calculation, Reporting, and Publication Systems".)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Japan	805.63

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.
By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Offices	797.22
Production offices	5.97
Logistics center	2.44

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Japan	2044.63	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Office	968.31	
Production office	295.76	
Logistic center	780.55	

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable >		
Other emissions reduction activities	30	Decreased	1.05	Logitec INA Solutions, its group company, introduced a solar power generation system for its own consumption in December 2021, resulting in a decrease of CO2 emissions by 30 t-CO2. Therefore, the CO2 emissions for the reporting year were 2,850 t-CO2, the ratio ended up in 30/2,850 t-CO2 = 1.05%.
Divestment		<Not Applicable >		
Acquisitions	23.87	Increased	0.84	Force Media was consolidated into the ELECOM Group in May 2021. Its electricity consumption was 48,716 kWh, petrol consumption 1,198.28 L, and gas consumption 0 m3, the ELECOM Group CO2 emissions increased by 23.87 t-CO2 as a whole. Since CO2 emissions for the reporting year were t-2,850 CO2, the ratio ended up in 23.87/2850 x 100 = 0.84%.
Mergers		<Not Applicable >		
Change in output		<Not Applicable >		
Change in methodology		<Not Applicable >		
Change in boundary		<Not Applicable >		
Change in physical operating conditions	119.08	Increased	4.18	In the fiscal year of 2021, energy consumption was higher due to the stronger business activities than in the previous fiscal year along with the progress of the COVID19 vaccination, resulting in the CO2 emissions increase of 119.08 t-CO2. Since CO2 emissions for the reporting year were 2,850 t-CO2, the ratio ended up in 119.08/2850 x 100 = 4.18%.
Unidentified		<Not Applicable >		
Other		<Not Applicable >		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?
 Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?
 More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	3420.93	3420.93
Consumption of purchased or acquired electricity	<Not Applicable>	0	4722	4722
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	0	8142.93	8142.93

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Other biomass

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Coal

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Oil

Heating value

LHV

Total fuel MWh consumed by the organization

3066.73

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Calculated based on the Ministry of the Environment's "List of Calculation Methods and Emission Factors for Calculation, Reporting, and Publication Systems.

Gas

Heating value

LHV

Total fuel MWh consumed by the organization

354.2

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Calculated based on the Ministry of the Environment's "List of Calculation Methods and Emission Factors for Calculation, Reporting, and Publication Systems.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Total fuel

Heating value

LHV

Total fuel MWh consumed by the organization

3420.93

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area	Japan
Consumption of electricity (MWh)	4722
Consumption of heat, steam, and cooling (MWh)	3420.93
Total non-fuel energy consumption (MWh) [Auto-calculated]	
Is this consumption excluded from your RE100 commitment?	<Not Applicable>

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.
Japan carbon tax

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

Japan carbon tax

Period start date

April 1 2021

Period end date

March 31 2022

% of total Scope 1 emissions covered by tax

100

Total cost of tax paid

261468

Comment

In order to strengthen global warming countermeasures (measures to control energy-origin CO2 emissions), including the introduction of renewable energy and energy-saving measures to realize a low-carbon society, the "tax for global warming countermeasures" was implemented in Japan in phases from October 1, 2012, and the increase to the final tax rate originally planned at the time of introduction was accomplished on April 1, 2016.

The tax system requires that all fossil fuels such as oil, natural gas, and coal be taxed broadly and fairly in proportion to their environmental burdens (CO2 emissions).

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Reducing CO2 emissions is an important issue in addressing climate change, and the EU and other industrialized countries around the world are taking the lead in this effort. In Japan, former Prime Minister Suga declared in his October 2020 policy speech that Japan will achieve carbon neutrality by 2050. At the Climate Summit in April 2021, he stated, "Consistent with the 2050 target, we aim to achieve an ambitious goal of a 46% reduction in greenhouse gas emissions in the fiscal year of 2030 compared to the fiscal year of 2013. Furthermore, we will continue to challenge for a higher goal of 50%". Against this backdrop, it is expected that by 2025, systems and measures to promote CO2 reduction with an awareness of 2030 will be put into effect. In the ELECOM Group, we have expressed our support for the TCFD in 2022 and have begun efforts to reduce CO2 emissions. The ELECOM Group does not have any manufacturing facilities, so its own CO2 emissions are limited. On the other hand, emissions from contract manufacturing and transportation tend to be large, and the Group recognizes that climate change-related issues will have no small impact on the Group's medium- to long-term business risks and opportunities. The ELECOM Group is currently working to establish a CO2 emissions reduction target for its entire supply chain and a plan and means to achieve it within the next two years.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

All suppliers engaged in ongoing contract manufacturing transactions, both domestically and internationally, are included. New suppliers are also included on a case-by-case basis.

Impact of engagement, including measures of success

The ELECOM Group does not have any manufacturing facilities, so its own CO2 emissions are limited. However, its Scope 3 emissions, especially from contract manufacturers and transportation, tend to be large, and the Group is promoting initiatives to ensure that it will prioritize suppliers with whom the Group can collaborate on climate change-related issues.

In the fiscal year of 2021, to determine whether or not to cooperate with suppliers on climate change-related issues, the company have been promoting the conclusion of contracts that pledge understanding of and compliance with not only domestic legal provisions and international norms and regulations, but also the ELECOM Group's own environmental health and safety measures. Working with suppliers in this way not only reduces the impact of climate change and other environmental issues, but also makes it possible to provide safe products, which in turn supports stable management for the suppliers. The ELECOM Group recognizes the importance of its responsibility to the supply chain, as it outsources the manufacture of many of its products.

The company will continue to promote collaboration on climate change-related issues throughout its supply chain with greater precision by steady implementation of a plan including sharing challenges, monitoring and conducting audits.

Comment

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

No, but we plan to introduce climate-related requirements within the next two years

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

No, but we plan to have one in the next two years

Attach commitment or position statement(s)

<Not Applicable>

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

The ELECOM Group has expressed its support for the TCFD and the UN Global Compact GC. The Group's support for the TCFD and Global Compact indirectly assist efforts for achieving carbon neutral society by the Financial Services Agency, Environment Ministry, the Economy, Trade and Industry Ministry and UN.

At GC's seminars and working groups organized by the members of the Sustainability Promotion Section, not only basic knowledge and trends related to the environment, but also viewpoints and points of caution that are needed for the ELECOM Group are shared.

The Sustainability Promotion Section, in cooperation with the Sustainability Committee, which is chaired by the COO and vice-chaired by the Senior Director (In charge of Finance Department), also draw on the collected information from GC so on to develop climate change strategies.

These strategies are incorporated into the Group's materiality and KPIs in collaboration with representatives of each company's business organization in the promotion subcommittee of the Sustainability Committee, which are monitored to ensure that they are always consistent with the Group's climate change strategy.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association
Japan Business Federation (Keidanren)

Is your organization's position on climate change consistent with theirs?
Consistent

Has your organization influenced, or is your organization attempting to influence their position?
We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
No, we have not evaluated

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In voluntary sustainability report

Status
Complete

Attach the document

Page/Section reference
P17-20/Disclosure under the TCFD

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Other, please specify (Disclosure of information in line with TCFD, participation in initiatives, specific efforts, etc.)

Comment

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	No, but we plan to have both within the next two years	<Not Applicable>	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	No, and we do not plan to do so within the next 2 years	<Not Applicable>	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	No, and we do not plan to assess biodiversity-related impacts within the next two years	<Not Applicable>

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	Please select

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
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C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	president of a company	Chief Operating Officer (COO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms