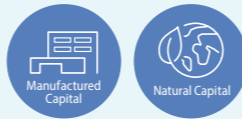
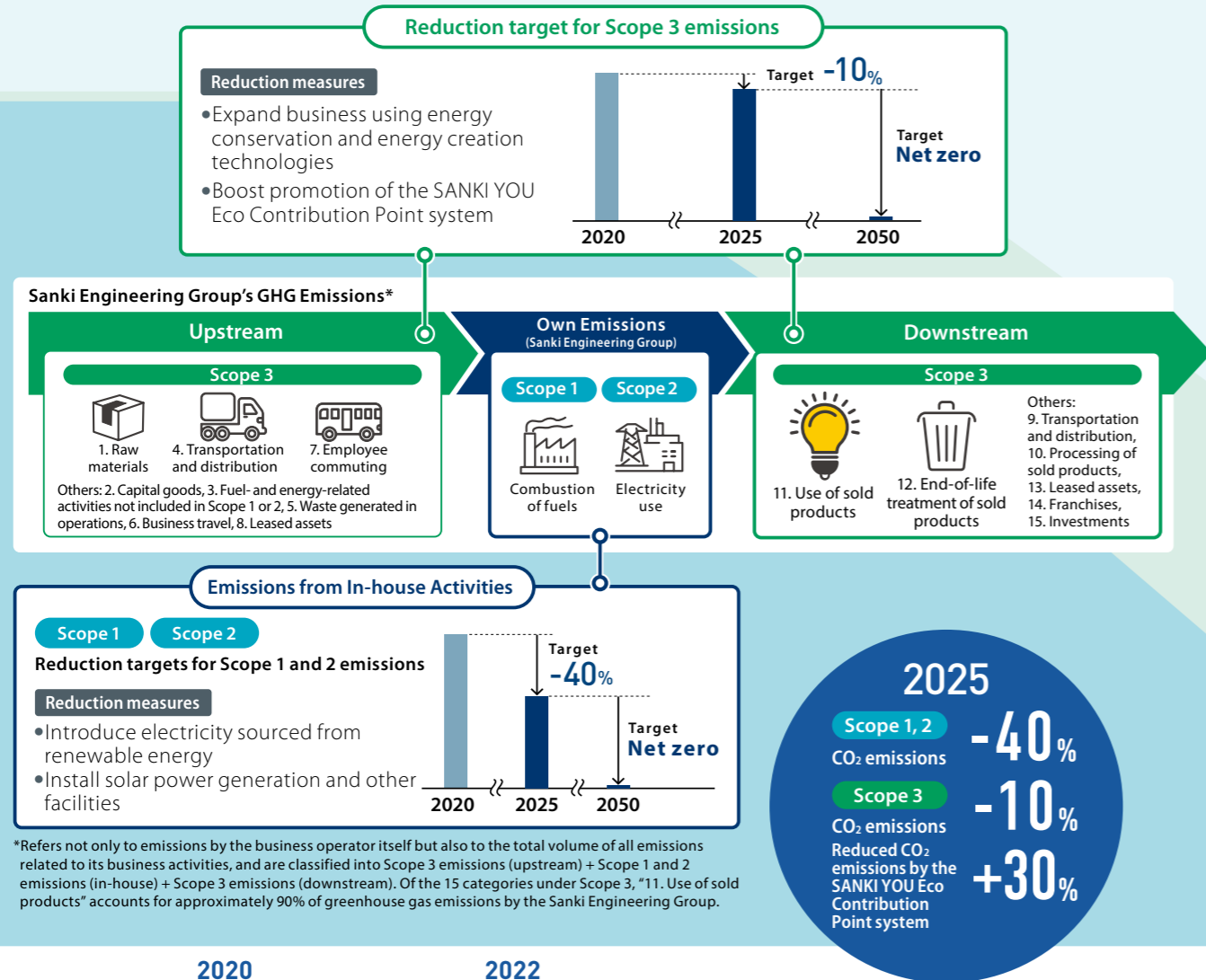


Feature 1 Sanki Engineering Group's Initiatives for Achieving Carbon Neutrality by 2050



The Sanki Engineering Group has positioned contributing to a carbon-free society as one of its materiality (key issues) and is committed to achieving carbon neutrality by 2050. Given that climate change is directly connected to our business as a total engineering company, we are working to reduce CO₂ emissions in all areas of our business operations, including our supply chain, while also promoting energy conservation and energy creation proposals to our customers. To further accelerate our efforts, we are bolstering our SANKI YOU Eco Contribution Point system, which converts the reductions in CO₂ emissions that customers have achieved based on our proposals into points as a means of supporting environmental conservation activities. These initiatives will expand the scope of carbon neutrality.



*Refers not only to emissions by the business operator itself but also to the total volume of all emissions related to its business activities, and are classified into Scope 3 emissions (upstream) + Scope 1 and 2 emissions (in-house) + Scope 3 emissions (downstream). Of the 15 categories under Scope 3, "11. Use of sold products" accounts for approximately 90% of greenhouse gas emissions by the Sanki Engineering Group.

Scope 1, 2 Initiatives for Reducing In-house Energy Use by the Sanki Engineering Group

In fiscal 2021, we embarked on a full-scale effort to reduce our in-house energy use toward attaining our 2030 interim goal of achieving carbon neutrality in terms of the Sanki Engineering Group's GHG emissions.

In April 2022, we signed a power purchase agreement (PPA) for the Sanki Techno Center and Sanki Yamato Building, both assets owned by the Company, to switch to electricity sourced from net-100% renewable energy. We also completed the agreements for the conversion to 100% renewable energy-sourced electricity for our Kansai Branch in September of the same year, and for St. Luke's Tower, where our head office is located, in April 2023.

We are also steadily replacing heat source and other equipment at the Sanki Techno Center and Sanki Yamato Building with energy-saving models. Furthermore, we will accelerate our efforts to decarbonize our operations through such measures as the solar power generation PPA project, which will be implemented across the Yamato Site, including the above facilities, in February 2024.



Sanki Techno Center
FY2022 Reductions in CO₂ emissions (Scopes 1, 2)

2.72 kt-CO₂
(down 34% from FY2020)

Scope 3 Bolstering the SANKI YOU Eco Contribution Point System

In fiscal 2022, we bolstered the SANKI YOU Eco Contribution Point system, which converts the reductions in CO₂ emissions that customers achieve by adopting our energy-saving proposals into points that are used to support environmental conservation activities. We plan to raise the point conversion rate from 100 yen per ton of CO₂ reductions to 200 yen per ton to expand support for environmental conservation activities.

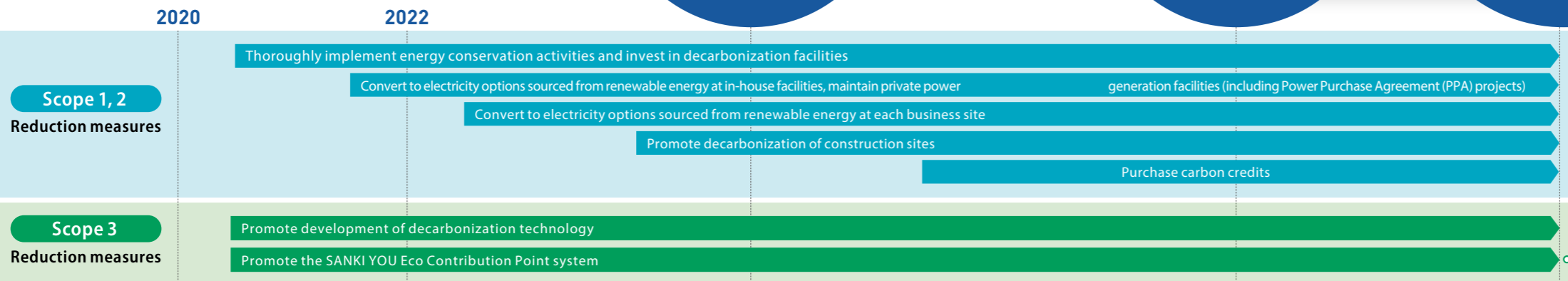
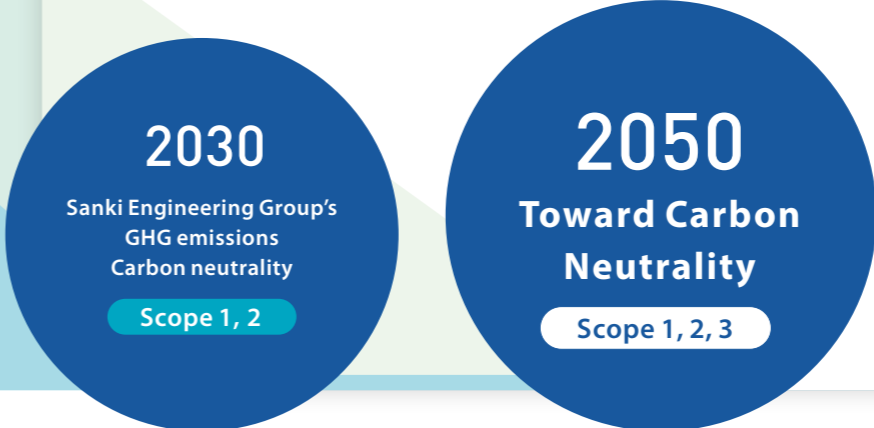
We subsequently entered into partnerships in March 2023 with Wakayama Prefecture and Shirahama Town as well as Ritto City in Shiga Prefecture, as new recipients of support. The respective projects were named SANKI YOU Forest Nanki-Shirahama and SANKI YOU Forest Lake Biwa Konze, and we will work to establish forests for future generations by cultivating relationships with local communities through tree-planting and other activities with the participation of Sanki Engineering employees.



Signing ceremony at the Wakayama Prefectural Government office



Signing ceremony at the Shinrin Taiken Kouryu Center, Ritto City



SANKI YOU Eco Contribution Point System

Now in its 12th year, the Sanki Engineering Group's SANKI YOU Eco Contribution Point system contributes, along with our partners, to preventing global warming and realizing a sustainable society. We will continue to promote CO₂ reductions through the system toward our fiscal 2025 goal of reducing CO₂ emissions by at least 30% compared to the three-year average from fiscal 2018 to fiscal 2020.