

Carbon Neutral Report (Executive Summary)

Brother Industries, Ltd. has achieved carbon neutrality for its Kariya Factory's Scopes 1 and 2 emissions, including machine tool and garment printer business operations, and has completed ISO 14068-1:2023 verifications by BSI Group Japan, K.K.

The carbon neutrality report for FY2023 can be found on Brother Industries, Ltd.'s website.

<https://global.brother/pub/com/en/eco/pdf/2024/kariyaCNreport.pdf>

◆Subjects of the Declaration of Carbon Neutrality

The Declaration of Carbon Neutrality covers direct GHG emissions from the Kariya Factory of Brother Industries, Ltd. ("Kariya Factory") (Scope 1) and indirect GHG emissions from imported energy to the factory (Scope 2). GHG emissions related to business operations (Scope 3) are addressed with the Brother Group's target to reduce 30% from FY2015 levels across the value chain by 2030, and are thus excluded from the Kariya Factory's carbon neutrality scope.

*GHG stands for greenhouse gas and indicates substances that cause global warming.

Approaches to reduce GHG emissions will be made by setting the emissions of the base period as baseline. The base period is between April 1, 2022 and March 31, 2023 (FY2022), and the carbon neutrality reporting period is between April 1, 2023 and March 31, 2024 (FY2023).

◆GHG Emissions

The GHG emissions during the reporting period were approximately 5,428 t-CO₂e (market basis) and direct GHG emissions totaled approximately 1,206 t-CO₂e. The indirect GHG emissions from imported energy were approximately 4,222 t-CO₂e, but this was all procured with renewable energy-based electricity and there thus was no real-term GHG emissions. GHG emissions were reduced by approximately 4,874 t-CO₂e versus the base period during the reporting period.

The following GHG reduction measures were implemented during the reporting period.

- Improvement of exhaust ducts in the compressor room
- Installation of temperature sensors on the compressor room ventilation fan to control operations
- Introduction of motion sensors
- Switching to electric from gas heat pump air conditioners
- Renewal of air conditioners to the latest model

◆ **Carbon Neutrality Pathway**

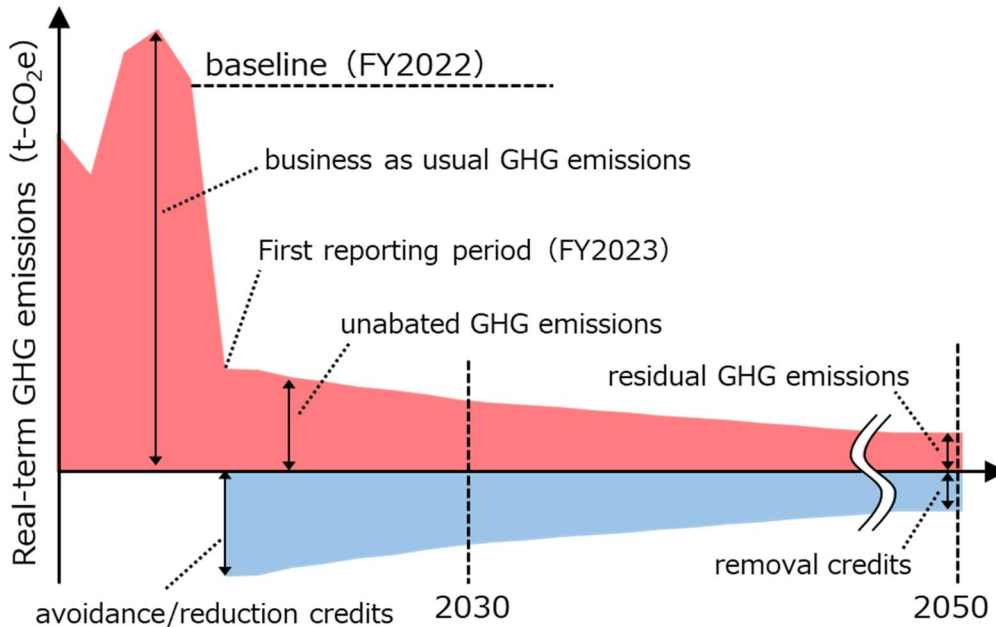


Figure 1. Kariya Factory's carbon neutrality pathway

The Kariya Factory will endeavor to reduce its GHG emissions by following its carbon neutrality pathway. A short-term target has been set for FY2030 and a long-term one for FY2050 as well, setting base-period GHG emissions as baseline.

Table 1. GHG emission targets

FY2022 (base period)	Real-term GHG emissions: 6,127 t-CO ₂ e (business as usual)
FY2030 (short-term target)	Real-term GHG emissions: 1,120 t-CO ₂ e or less
FY2050 (long-term target)	Residual GHG emissions only (aim for 613 t-CO ₂ e or less)

◆ **Offsetting of Unabated GHG Emissions**

During the reporting period, carbon credits were used to offset 1,205.87 t-CO₂e of real-term unabated GHG emissions. The used carbon credits have been verified in terms of their avoidance of double-counting and other factors by the Verified Carbon Standard (VCS), a third-party certification authority.