

on our business. We are pleased to disclose some of the results of this study based on the TCFD recommendations.

Governance

by its subcommittees and the Sustainability Management

Sustainability Management Committee notifies Board of directors of the key issues.

The PDCA cycle has implemented to ensure matters pointed out by Board of directors throughout the company.

<Detailed Information>

Basic policy of sustainability:

<https://www.hamamatsu.com/jp/ja/our-company/sustainability-and-csr/hamamatsu-ph>

Fundamental environmental policy:

<https://www.hamamatsu.com/jp/ja/our-company/sustainability-and-csr/environment/en>

Strategy

We recognize that various changes due to climate change will affect our business. In order to identify the most important opportunities, we conducted a scenario analysis at 1.5/2°C and 4°C for our entire business in the following steps.

Market changes and

Governmental	Profit	Supply chain	Portfolio transformation
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Governmental policies and laws	Physical risks	associated with the organization	Suspension of business	Timing	Capacity and technology investment
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We identified the climate change risks and opportunities facing the company, taking into account the interests of our stakeholders and their future significance. As a result,

Degree of	Risks	Controlability
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Impact	Transition	Physical	Opportunities
High	<p>#1 Increase in operational costs due to introduction of carbon tax/emissions trading scheme</p> <p>#2 Increased burden and risk of fines due to stricter disclosure requirements and regulations</p> <p>#3 Loss of reputation among customers, decrease in sales, and loss of competitiveness</p> <p>#4 Short-term increase in operating costs due to introduction of renewable energy and promotion of energy conservation</p> <p>#5 Tighter regulations on raw materials</p>	<p>#6 Increased risk of business shutdown and decreased sales due to severe wind and flood damage</p> <p>#7 Increased damage due to severe wind and flood damage</p> <p>#8 Increased air conditioning and cooling costs due to higher average temperatures</p> <p>#9 Increased risk of business shutdowns and decreased sales due to employees' inability to come to work due to higher average temperatures</p> <p>#10 Increased risk of business shutdown and decreased sales due to employees' inability to come to work due to severe wind and flood damage</p>	<p>#11 Increase in sales through the provision of products and services that contribute to addressing climate change</p> <p>#12 Increase revenues by entering new markets</p> <p>#13 Decrease in expenses due to gains in client and investor reputation</p> <p>#14 Increase in revenues through introduction of renewable energy and promotion of energy conservation</p> <p>#15 Long-term increase in sales and decrease in expenses due to enhanced disaster resilience</p>
Mild - Low	<p>#16 Loss of reputation and competitiveness among investors</p>	<ul style="list-style-type: none"> Decrease in sales resulting from lower production due to lower rainfall at the water sources from which the water is withdrawn 	

- Case of 1.5/2°C in 2030

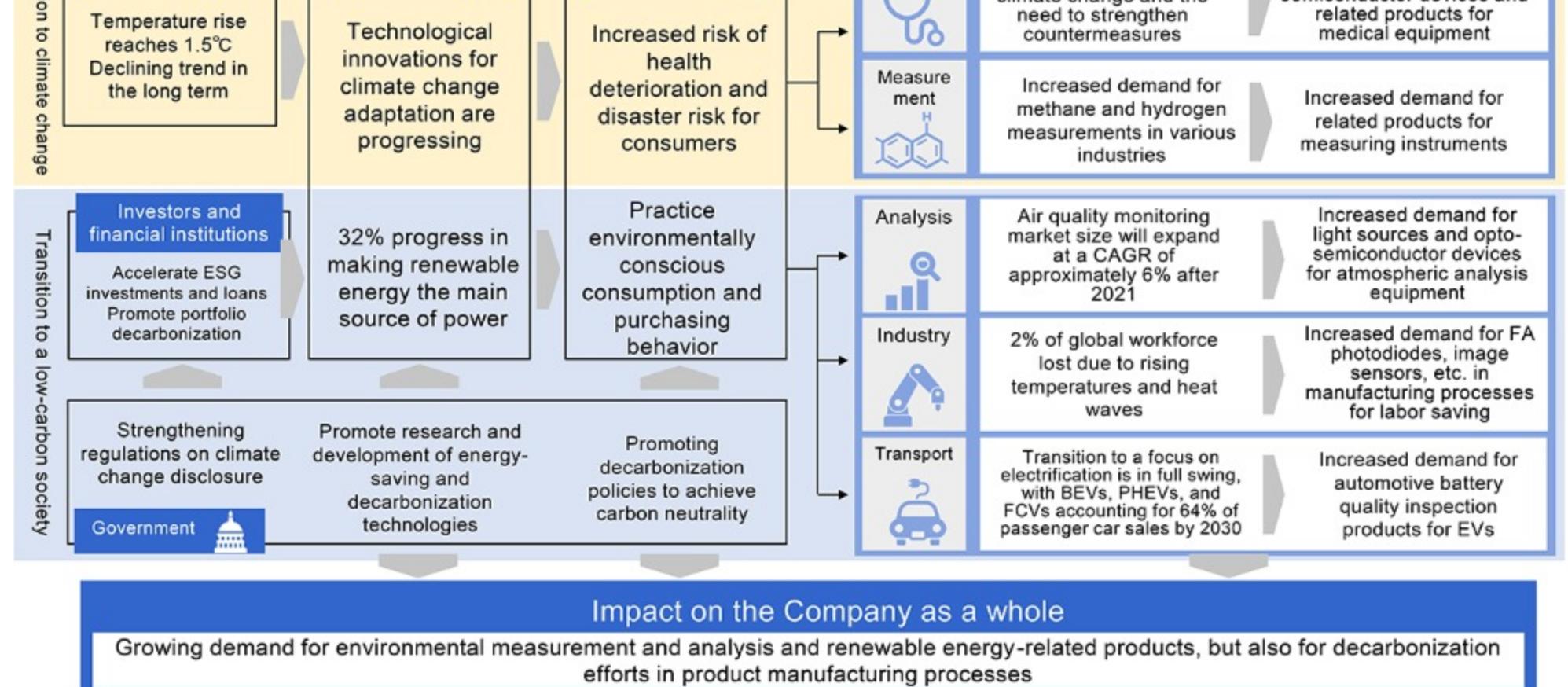
Adaptation

Natural environment Technology Consumer

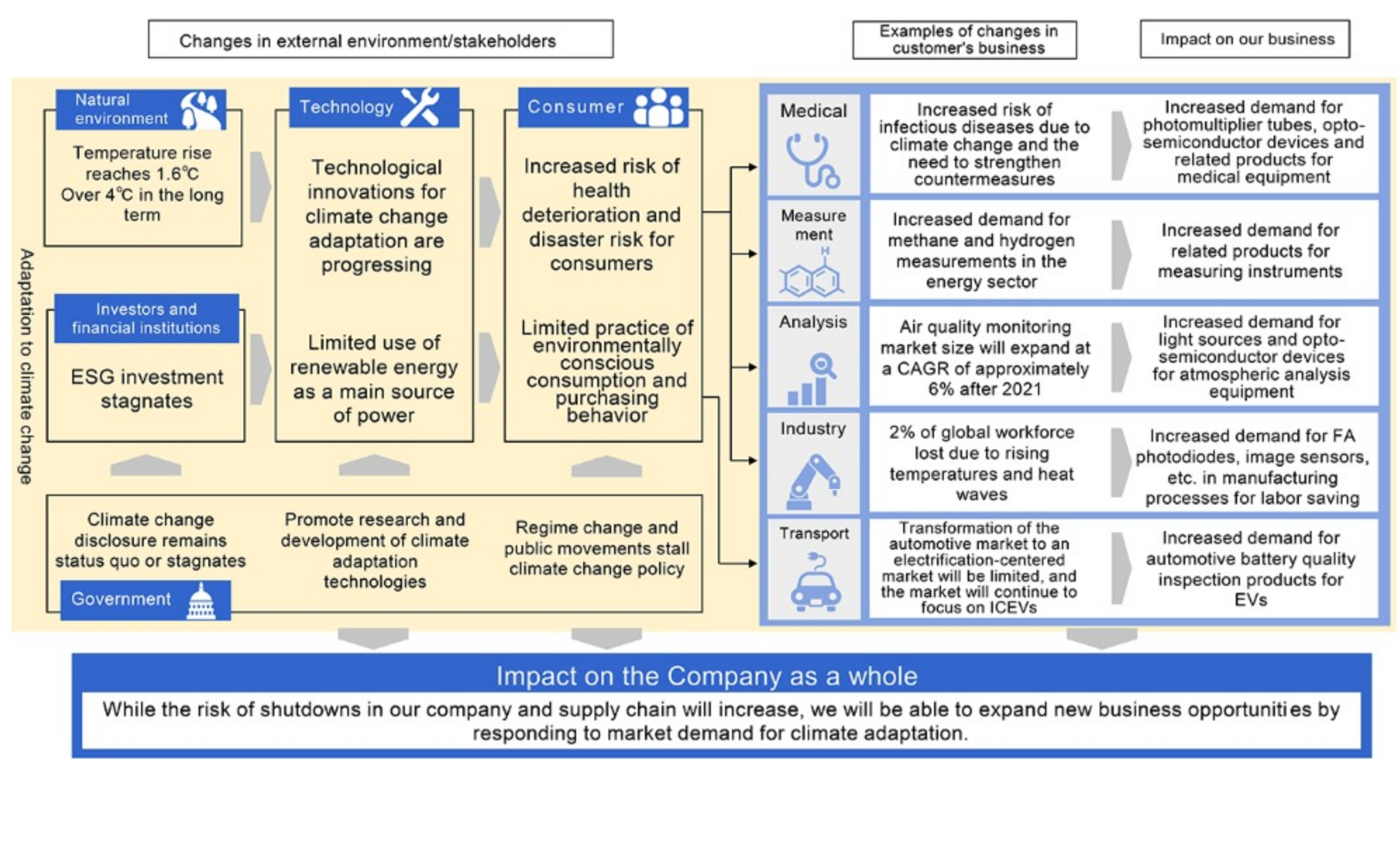
Medical

Increased risk of infectious diseases due to climate change and the

Increased demand for photomultiplier tubes, opto-semiconductor devices and



- Case of 4°C in 2030



A sensitivity analysis was performed to assess the impact of each of the climate change risks and opportunities:

Types	Impact on Business in 2030	Potential Financial Impact	
		Revenue	Costs

			1.5/2°C	4°C
Risks	Transitional	Decrease in sales due to lower product competitiveness and sluggish customer evaluations	High	-
		Short-term increase in operating costs due to introduction of renewable energy and promotion of energy conservation	Mild	-
	Physical	Business shutdowns (production sites, logistics, inventory, supply chain) and sales decline due to severe wind and flood damage	Mild	High
		Damage to manufacturing sites due to severe wind and flood damage and increased restoration costs	Mild	High
Opportunities		Medical and biotechnology equipment: Increased sales of related products for specimen testing equipment	Mild	Mild
		Industrial Equipment: Increased sales of related products for EV battery inspection systems	Mild	Mild
		Analytical instruments: Increased sales of related products for environmental analysis	Mild	Low

Based on the results of the project impact assessment, w

Risk management

Metrics and Targets

Under the Group's long-term vision for global warming countermeasures, our greenhouse gas reduction targets (GHG reduction targets) were certified by the SBT Initiative, an international environmental organization, in October 2021 as scientifically based and in line with the Paris Agreement. Meanwhile, as key metrics in our mid- to long-term environmental strategy, we have established, evaluated, and managed GHG emissions, water usage, renewable energy usage, etc. GHG emissions are calculated for Scope 1, 2, and 3* in accordance with the GHG Protocol, and third-party verification is conducted. 74th fiscal year (ending September 30, 2021) GHG emissions (Scope 1 and 2) were 59,386 t-CO₂e in the 74th fiscal year (ended September 30, 2021), a reduction of approximately 13 % (target 7.5 %) from the 71st fiscal year (ended September 30, 2018).

