

Disclosure Based on TCFD Recommendations

MIURA CO.,LTD. recognizes that climate change is a serious issue across the entire world, and has disclosed the risks and opportunities for profit relating to climate change that will have an impact on the business activities and profits, etc., of the Company, based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The entire group will work together towards the achievement of carbon neutrality, which is a common goal across the world.

1. Governance

The Company believes that climate-related issues are closely tied to its business, and have a significant impact on its business activities, and therefore, a system has been put in place where initiatives relating to climate change issues are determined at the Management Meeting chaired by the President & CEO, and are supervised by the Board of Directors.

- The Board of Directors supervises initiatives relating to climate change issues
- The Management Meeting determines initiatives relating to climate change issues
- The General Managers Meeting discusses initiatives relating to climate change issues
- The Sustainability Promotion Meeting discusses and formulates initiatives relating to climate change issues

2. Risk Management System

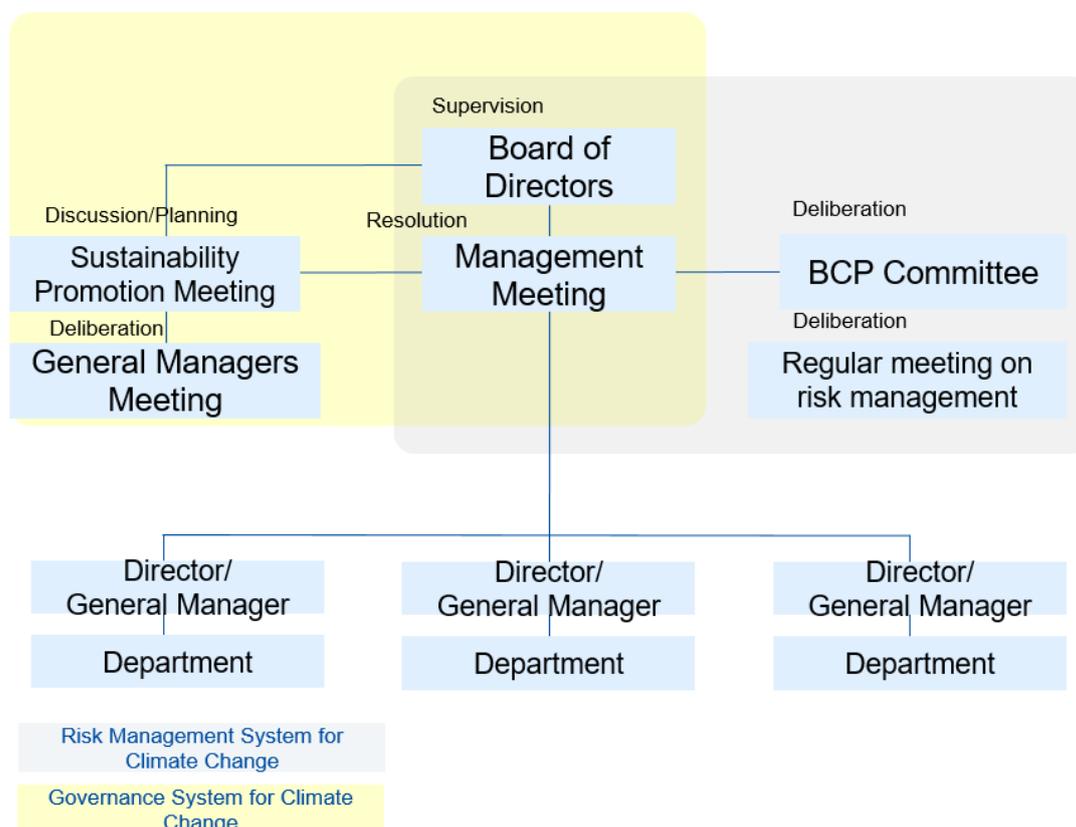
The Company has added climate change risk to the framework of its risk management system, and has clarified the role of each meeting body.

All risks, including climate change risk (transition risks, physical risks) are managed in an integrated manner by the Management Meeting; the Management Meeting confirms business risk impact assessments, determines the risk response items, and reports these to the Board of Directors. The Board of Directors determines and supervises important matters relating to risk management.

- The BCP Committee, which is an advisory body to the Management Meeting, examines climate change risks (physical risks), and supervises and manages BCP

- The Management Meeting manages all risks, including climate change risks, and is responsible for decision making

<System Diagram>



* Please visit the Company's website below for information on the MIURA Group risk management system

<https://www.miuraz.co.jp/csr/governance/transparency.html>

3. Strategy

The Company analyzes scenarios, identifies important risks and important opportunities relating to climate change, and evaluates the specific financial impact that will be caused by these. In regard to the domestic boiler business, we conducted scenario analysis based on the three situations of it being a major business that accounts for 45% of sales revenue, due to it conventionally using fossil fuels, the possibility of strong impact in the future by GHG reduction regulations, and there being

opportunities to enter markets for new technology as measures against climate change. The scenario analysis that we conducted on this occasion, based on the “scenarios” published by the IEA (International Energy Agency), etc., considered the impact as of 2030 and as of 2050, through the use of two scenarios, a 4°C scenario and a 1.5°C scenario.

	If climate change manifests itself in the form of a rise in temperatures of over 4° C	If rises in temperature are suppressed to 1.5° C or less, and the entire world shifts to a low-carbon society
Scenario Analysis	<p>Due to the limited implementation of policies and regulations that promote low carbonization, global warming progresses, and average temperatures rise. It is envisioned that climate change will cause an increase in the number of natural disasters, with such natural disasters becoming more intense, leading to the disruption of bases and the supply chain.</p> <p>On the other hand, it is envisioned that demand will increase for BCP products that can handle multiple fuel types as well as for the construction of systems that can support early recovery from disaster.</p>	<p>Economic activities that consider decarbonization and low carbon will become more active, and society will shift to an environmentally-oriented society. In conjunction with this, it is envisioned that regulations will become stricter, a carbon tax will be introduced, and the use of renewable energy, etc., will be sought, and that the costs for responding to these will increase.</p> <p>While it is possible that the market size for boilers that use fossil fuels will reduce, it is envisioned that the Company will be able to expand the market for energy saving equipment and boilers that use renewable energy towards the realization of a carbon-free society.</p>

Type	Climate-Related Risks	Potential Financial Impacts		MIURA's Business Risks	MIURA's Business Opportunities
		4° C	1.5° C		
Transition Risks	Policy & legal	Small	Large	<ul style="list-style-type: none"> The introduction of a carbon tax and tax rises will lead to an increase in the price of steel products, which are mainstay products that involve the emission of a large amount of CO₂ at the manufacturing stage. The market size for the boilers that the Company produces will be reduced as a result of a slowdown in the growth of related industries that use fossil fuels as their main form of energy, as well as through a rapid shift to decarbonization. Replacement with next generation technologies relating to climate change will make the Company's technology obsolete, leading to a decline in market competitiveness or a reduction in product market share. In an increasingly electrified society, the expansion of demand for metal resources will lead to a shortage of raw materials and rising prices. 	<ul style="list-style-type: none"> A higher value-added market can be created with products that are able to provide clean steam that do not emit CO₂. There will be an increasing need for solutions that are able to reduce CO₂ through the energy management of entire facilities, such as plants, and the introduction of equipment with high energy-saving performance, etc. Expectations for the use of clean energy hydrogen fuel, etc., will increase, and sale of hydrogen-fired boilers, etc., will increase.
	Technology				
	Market	Changes in raw materials costs Steel materials purchase price			
Physical Risks	Acute	Large	Medium	<ul style="list-style-type: none"> A disaster that has a major impact on the Company's plants and bases will not only result in direct damage to the plants and production equipment, but will also impact the reliability and reputation of our products and services, and will lead to reduced sales. The supply of parts from suppliers will be suspended, and meeting purchase quantities and delivery dates will become difficult, resulting in production delays and lose opportunities for sales, etc. 	<ul style="list-style-type: none"> There will be an increasing need for BCP products that are able to handle multiple fuel types (small once-through boilers with gas or oil selectable combustion), cogeneration systems (exhaust gas boilers) that are able to secure power in the case of disaster, as well as for the construction and proposal of systems that support early recovery upon the occurrence of a disaster (the diversification of various facilities, etc.).

Concept of financial impact (small / medium / large): Analyzed quantitatively and qualitatively, relative impact evaluated.

- Strategy and Specific Initiatives -

Domestic Manufacturing and Sales of Products (boiler business)

Stage 1 (Intensive energy saving)

- Performance of energy saving diagnostics, development of plant-wide energy saving and total solutions
- Proposal of the best mix of heat pumps, heat recovery air compressors, etc., and existing equipment

Stage 2 (New development of decarbonated products using renewable energy, etc.)

- Development of technology, expansion of sales, and expansion of line-up of hydrogen-related products
- Enhanced sophistication of solutions and expansion of business areas through alliances

4. Indicators and Goals

The Company is aware that the impact of climate change is an important issue, and in order to mitigate the environmental impact of its business activities and the products and services that it sells, has prescribed long-term GHG reduction targets, and engages in initiatives, as described below. In accordance with GHG reduction targets, we will continue to promote various initiatives, and will conduct evaluations on the achievement status.

The following have been prescribed as GHG reduction targets.

Scope 1 & 2: Understanding the current state of emissions and setting targets

* Based on the Act on Promotion of Global Warming Countermeasures Standards (Energy origin)

- FY2030: -50% Compared to FY2013
- FY2050: -100% Compared to FY2013 (carbon neutral)

Scope 3: Understanding the current state of emissions and setting targets

* Per domestic sales unit

- FY2030: -40% Compared to FY2019
- FY2050: -100% Compared to FY2019 (carbon neutral)

- Supplementary Information: Scope 1, 2, and 3 -

Scope 1: Direct emissions of greenhouse gases by the business operator (fuel

combustion, industrial processes)

Scope 2: Indirect emissions in conjunction with the use of electricity, heat, and steam supplied by other companies

Scope 3: Indirect emissions other than Scope 1 and Scope 2 (emissions of other companies relating to the activities of the business operator)