Response to Climate Change

Basic Approach

Amid the growing severity of climate change, the OKI Group sees it as our mission to pass on a better global environment to the next generation by addressing social issues. We promote environmental management by considering environment-related business risks and opportunities from a medium- to long-term perspective. OKI manages climate change efforts by categorizing them into two main areas: mitigation (preventing global warming, energy conservation, and expanding the use of renewable energy) and adaptation (responding to damage caused by extreme weather events, such as typhoons and flooding, which are thought to result from global warming). These efforts are disclosed based on the TCFD*1 framework, and the Company reviews its initiatives against the environmental management system ISO 14001 and the TCFD.

*1 Task Force on Climate-related Financial Disclosures (TCFD): A task force that recommends companies to disclose information to investors on their response toward climate change

Governance

We address these issues through the environmental management system framework outlined on the previous page. ▶P. 31

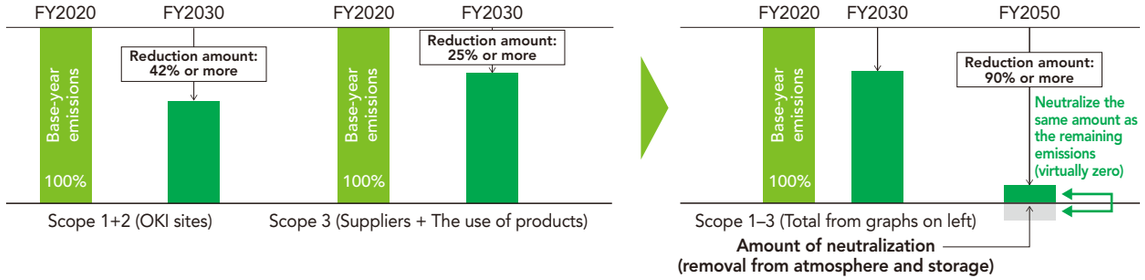
Risk Management

At least once a year, OKI identifies recent events related to climate change to evaluate the impact, frequency, and timing of the risks and opportunities that emerge from them in order to determine their importance.

After considering countermeasures for these risks and opportunities, we develop a Group-wide plan for environmental management and implement this into environmental action plans at each organization and site. The execution status of these plans is checked through internal auditing and revised as needed. This entire process is managed in an integrated manner under the OKI Group's environmental management system.

Metrics and Targets

The OKI Group has established the following metrics and targets*2 for each of its strategies addressing climate change, and monitors and manages progress toward achieving these goals.



*2 The 2030 and 2050 targets have obtained SBT certification. Emissions and reduction rates are shown on ▶P. 56.

Strategy

We identify risks and opportunities and develop responses through scenario analysis.

- OKI identifies physical risks and transition risks based on reports related to climate change issued by international institutions. OKI then performs scenario analysis that considers the intensification of climate change if temperatures rise by 4˚C and social changes needed to limit this increase to 1.5˚C.
- As outlined below, aspects of climate change, resource circulation, and prevention of pollution are included in scenario analysis. OKI identifies risks and opportunities based on these scenarios and establishes countermeasures to enhance its ability to respond flexibly to potential future events.

Strategy Based on Scenario Analysis

OKI's climate change strategy is based on two key scenarios, considering both risks and opportunities. In the event of a temperature rise of 3 to 4°C, physical risks such as more severe storms and flooding are expected to increase. In response, OKI is advancing business continuity management and planning (BCM/BCP) measures across its supply chain. At the same time, demand is expected to grow for disaster preparedness information systems and other products in OKI's areas of strength, which are positioned as environmentally contributing products. Conversely, if society moves toward limiting the global temperature rise to 1.5°C, the demand for decarbonization products will increase. In response, OKI is working to enhance energy efficiency in its hardware products and expand solutions that contribute to decarbonization for its customers and society, further promoting environmentally contributing products.

Scenario Analysis					Response to Risks and Opportunities
Category	Expected phenomena	Risks/ Opportunities	Impact on future finances	Time frame*3	
1.5°C Scenario (Transition Risk)	Growing and widespread demand for decarbonization	Risk	• Decreased orders due to failure to meet energy efficiency standards or customer requirements	Medium term	• Products: Energy-saving for hardware • Supply chain: Strengthening communication with suppliers • Sites: Reducing CO_2 emissions through thorough energy-saving measures and the introduction of renewable energy
			• Higher costs stemming from strengthening decarbonization at business sites	Medium term	
		Opportunities	• Increased demand for decarbonization and labor-saving solutions • Increased demand for technologies that support the spread of renewable energy • Increased demand for renewable energy-powered products	Medium term	• Products: Expansion and creation of environmentally contributing products contributing to decarbonization Examples: Development of decarbonization and labor-saving solutions utilizing IoT and AI, expansion of renewable energy-driven hardware products, and strengthening research and development (e.g., AI optimization)
4°C Scenario (Physical Risk)	Increase and intensification of extreme weather events	Risk	• Sites & suppliers: Damage to plants or suppliers due to disasters • Sites: Increased air conditioning costs due to rising temperatures	Short term	• Sites: Strengthen climate change BCM/BCP • Suppliers: Strengthen procurement BCP
		Opportunities	• Products: Growing demand for advanced disaster prevention and mitigation solutions	Medium term	• Products: Strengthen business deployment through disaster information systems

*3 Time frame definitions: Long term means 10 years or more, medium term means 3 to less than 10 years, and short term means 1 to less than 3 years

Initiatives toward the Realization of a Decarbonized Society

The OKI Group is promoting new initiatives such as introducing advanced ultra-lightweight flexible solar power systems and switching the electricity used in evaluation and analysis operations to renewable energy sources. Through these measures, we are steadily increasing the ratio of renewable energy adoption and contributing as a group to the realization of a decarbonized society.

OKI Crosstech (Repair Center), Konosu City, Saitama Prefecture
Ultra-lightweight flexible solar power system