

Carbon Neutrality Measures

Tackling the problem of global warming has become an urgent issue around the world. In order to contribute to the realization of carbon-free societies, Krosaki Harima has set our target for reducing CO₂ emissions, indicated below.

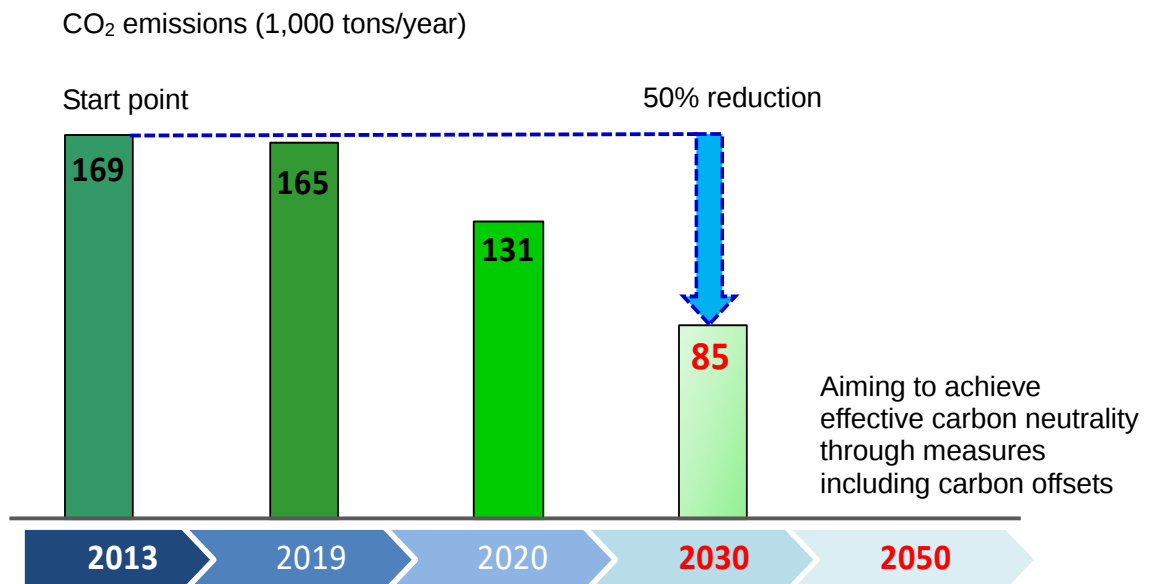
I. CO₂ emissions reduction target

Reduce our CO₂ emissions by 50% by FY2030 compared to FY2013 levels.

*Our aim is to achieve effective carbon neutrality by FY2050 through measures including carbon offsets.

<Scope>

- Krosaki Harima Corporation
- SCOPE 1: Direct CO₂ emissions from our fuel usage and production processes
- SCOPE 2: Indirect CO₂ emissions from the use of electricity and heat we purchase



Krosaki Harima has already been actively promoting energy conservation, switching to the use of LNG as a fuel source, refractory recycling, and other measures in its manufacturing divisions. Furthermore, we have been developing materials with high insulation performance and designing and constructing energy-saving industrial furnaces. Through such efforts, we have been working to reduce society's environmental impact and CO₂ emissions.

However, as combatting global warming has become an even more pressing issue in recent years, we have decided that we need to take even greater measures. We have therefore decided to dedicate ourselves to implementing the following key measures in order to achieve our CO₂ emissions reduction target and help our customers reduce their own CO₂ emissions.

We will also work together with our customers to develop new materials that our customers can use in the development and implementation of new processes.

II. Contents of key measures

(1) Investigating and implementing measures for reducing CO₂ emissions produced by our business activities

- 1) Downscaling of businesses and product lines with high CO₂ emissions volume; switching from fired refractories to unfired refractories, monolithic refractories, and precast blocks; aggregation of manufacturing facilities and improvement of their efficiency; manufacturing process improvement; improvement of efficiency and productivity through updating of aging facilities
- 2) Thorough energy savings and exhaust heat recycle in our kilns, leveraging energy-saving industrial furnace design technologies and insulation materials
- 3) Greater transition from use of heavy oil and LPG to LNG, which produces little CO₂, and greater use of electric motors; complete switchover to LED lighting; thorough air conditioner temperature control, deployment of power-saving systems, etc.

(2) Contributing to customer-side CO₂ emissions reductions through our products and operations

- 1) In the refractory business segment, development of low thermal conductivity refractories and refractories which do not require pre-heating, etc.
- 2) In the ceramics business segment, expanded application of insulation materials and fine ceramics to fuel cells, iron and steel, and industrial furnaces; development and application of lightweight setters for use in capacitor high-speed furnaces; expanded provision of recycled landscape bricks and promotion of unfired production, etc.
- 3) In the furnace business segment, expansion of sales in environmental fields such as energy-saving industrial furnace design, low thermal conductivity refractory construction, biomass power generation, etc.

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