

The Meiji Group's TCFD Initiatives

In recent years, the sustainability of the global environment has been in jeopardy, and climate change is expected to have a significant medium- to long-term impact on business activities. International frameworks such as the Paris Agreement and the Sustainable Development Goals (SDGs) are also calling for increased efforts to address climate change. The Group's business is based on the abundant gifts of nature. We therefore recognize that living in harmony with the global environment and nature is both our responsibility and an important management issue. To contribute to these international efforts, we are implementing climate change initiatives to help achieve a decarbonized society, while also advancing disclosures based on the framework of the Task Force on Climate-Related Financial Disclosures (TCFD).

(1) Governance

The Group Sustainability Secretariat Committee, which is chaired by the Chief Sustainability Officer (CSO), meets monthly, and the Group is reinforcing its initiatives to address social issues, including climate change, so that we can carry out our sustainability strategies. In addition, the Group Sustainability Committee, which is chaired by the Chief Executive Officer (CEO) of Meiji Holdings, meets twice each year to report on the overall progress of sustainability initiatives and deliberate on new measures. Climate change in particular is positioned as a key issue.

Regarding governance, the Group TCFD Committee (which was held twice in FY2025) analyzes risks and opportunities arising from climate change and deliberates on countermeasures. The results are discussed by the Executive Committee, overseen by the Board of Directors, and reflected in management.



(2) Strategy

The Meiji Group recognizes that climate change-related risks and opportunities constitute a significant management issue, and we have established materiality and key performance indicators including climate change and circular economy based on the Meiji Group Sustainability 2026 Vision for the short- to medium-term and the Meiji Green Engagement for 2050, the Group's long-term environmental vision, for the long-term. We are undertaking initiatives to ensure that we can remain in harmony with nature into the future.

<Overview of the Group's Climate Change Strategy>

The Group has conducted scenario analyses for both the 1.5°C and 4°C scenarios. The Group is implementing measures to reduce each risk and gain related opportunities.

Risk / opportunity factors		Potential impacts on the Group	Major countermeasures
Risks	<u>1.5°C scenario</u> Reinforcement of government's carbon pricing regulations	Increase in carbon pricing burden in the Group's own operations (increase in cost of sales and selling, general and administrative expenses) 4.7 billion yen in 2030, 9.2 billion yen in 2050	<u>Mitigation measures</u> Reduction of GHG emissions through energy-saving initiatives and the promotion of renewable energy adoption
		Rising procurement costs across the supply chain (increase in cost of sales)* ¹ 60.4 billion yen in 2030, 15.3 billion yen in 2050	<u>Mitigation measures</u> Reduction of GHG emissions through supply chain engagement

Risk / opportunity factors		Potential impacts on the Group	Major countermeasures
	<u>1.5°C scenario</u> Rising electricity prices and renewable energy adoption costs due to the expansion of renewable energy	Increase in amount of electricity purchased (increase in cost of sales, selling, general and administrative expenses) 12.3 billion yen in 2030, -4.0 billion yen*2 in 2050	<u>Mitigation measures</u> Reduction of electricity consumption and promotion of renewable energy generation facility deployment
Risks	<u>4°C scenario</u> Increase in severity and frequency of typhoons, torrential rains, etc.	Asset damage and opportunity losses due to site shutdowns, resulting from flood damage (decrease in net sales, and losses of merchandise and finished goods, work in process, and property, plant, and equipment) Flooding risks at 15 domestic and overseas sites in 2050 The annual increase in risk is 830 million yen*3	<u>Adaptation measures</u> Implementation of flood protection measures at plants (elevation of critical equipment and installation of water barriers)
	<u>4°C scenario</u> Change in growth environment of raw materials resulting from temperature rise and water risks	Increase in raw material procurement costs (increase in cost of sales)	<u>Adaptation measures</u> Ensuring raw material traceability and securing diversified procurement channels
Opportunities	<u>1.5°C scenario</u> Promotion of mitigation measures such as energy transition and energy-saving initiatives	Business cost reduction including electricity costs and carbon pricing (decrease in cost of sales and selling, general and administrative expenses)*4 6.2 billion yen in FY2030, 8.6 billion yen in FY2050	<u>Mitigation measures</u> Reduction of GHG emissions through energy-saving initiatives and the promotion of renewable energy adoption
	<u>1.5°C / 4°C scenarios</u> Changes in society and daily lives due to the direct impacts of climate change	Needs for products and market may increase (increase in net sales) • Response to changes in lifestyles (e.g., staying at home) • Response to growing environmental awareness • Response to emerging and re-emerging infectious diseases	<u>Mitigation and adaptation measures</u> • Creation of business opportunities through utilization of systems such as the Meiji Sustainable Products in-house certification system • Advancement of new modality acquisition

*1 These impact amounts are assumed to be borne not only by the Group but also across the entire supply chain.

*2 “-” indicates cost reduction.

*3 We calculated the financial impacts of flood damage based on the Guidance on Physical Risk Assessment under the TCFD Recommendations issued by the Ministry of Land, Infrastructure, Transport and Tourism. The annual increase in risk is the expected amount of future risk increases through 2050 converted to an annual amount. For details, see “<4°C scenario> Opportunity losses, such as site shutdowns, resulting from flood damage.”

*4 Cost reduction compared to cost in business without the measures is shown.

1) Assessment of the Financial Impacts of Risks

To assess the financial impacts of climate change-related risks and opportunities that the Group is facing, we conducted scenario analysis. From the results of our analyses under two scenarios (1.5°C and 4°C scenarios), those with major and significant impacts are described below. The figures for each impact have been updated following the financial impact assessment re-conducted in FY2025.

[Target scope of analysis] Meiji Group as a whole

Target business segment	Food, pharmaceutical
Target raw material	Major raw materials [Dairy ingredients, cocoa beans, palm oil, sugar, timber (paper)]
Analysis base years	Current, 2030 (medium term) and 2050 (long term)

[Analysis Method and Detailed Results]

□ Major Impacts and Specific Effects

<1.5°C scenario>

• Effect of introducing carbon pricing (the company)

We project a 4.7 billion yen cost increase in 2030, while reducing costs by 1.9 billion yen by implementing energy-saving and generation measures and purchasing renewable energy-derived electricity. We also project that in 2050, costs will decrease by 2.8 billion yen, based on our transition plan, which includes active introduction of new technologies and next-generation energy, among other measures. With current technology, achieving net-zero CO₂ emissions by 2050 will require additional measures costing 2.3 billion yen and the purchase of carbon credits worth 2.3 billion yen, which is expected to increase costs by 9.2 billion yen.

Details of effect	Unit: billion yen	
	2030	2050
Amount of carbon pricing borne when no countermeasures are taken	6.6	7.4
Amount of carbon pricing reduced through countermeasures	-1.9	-2.8
Costs/investments required for additional measures	-	2.3
Amount of carbon credit purchases	-	2.3
Total	4.7	9.2

• Effect of introducing carbon pricing (major raw material)

We project that the amounts of impact based on carbon prices in major raw material source countries will ultimately be an increase of 60.4 billion yen in 2030 and 15.3 billion yen in 2050, despite the expected increases in prices for each raw material, as a result of the implementation of GHG reduction measures.

*The amount of the impact from the introduction of the carbon pricing under the 1.5°C scenario was calculated based on the NZE scenario carbon prices (for 2030 and 2050) announced in the World Energy Outlook (WEO) 2025 of the International Energy Agency (IEA).

• Effect on amounts for purchased electricity (the company)

We project a cost reduction of 4.3 billion yen in 2030 through energy-saving and energy-generation measures, but costs will increase as a result of rising electric power rates and premium prices for renewable energy-derived electricity, and we expect costs to increase by 12.3 billion yen. In contrast, in 2050, we project a cost reduction of 4.0 billion yen due to electricity rates falling to current levels as a result of technological innovation and reduction in the amount of electricity consumed achieved through energy-saving and other measures.

Details of effect	Unit: billion yen	
	2030	2050
Amount of increase due to increase in electricity unit prices	15.5	0.1
Amount of reduction from energy-saving and energy-generation measures, etc.	-4.3	-5.8
Amount of increase from purchase of renewable energy-derived electricity	1.1	1.6
Total	12.3	-4.0

* The amounts of impacts from purchased electricity under the 1.5°C scenario are calculated based on information from the Net Zero 2050 Scenario of the Network of Central Banks and Supervisors for Greening the Financial System.

<4°C scenario>

• Opportunity losses, such as site shutdowns, resulting from flood damage

We calculated the financial impacts of flood damage based on the Guidance on Physical Risk Assessment under the TCFD Recommendations issued by the Ministry of Land, Infrastructure, Transport and Tourism. From the results of risk assessments of 51 production sites in Japan and overseas, we anticipate flood risks at 13 domestic and two overseas sites. We determined the financial impact by calculating the annual increase in risk in terms of the amount of loss due to asset damage and opportunity loss due to site shutdowns based on the estimated flood depth at each site and other factors. We estimate that in 2050, the aggregate annual increase in risk for 15 sites based on 100-year floods will be 830 million yen per year.

	Annual Increase in Risk (million yen)				
	Property Damage Amount	Site Shut Down Loss Amount	Depreciable Asset Damage Amount	Inventory Asset Damage Amount	Total
Japan	80	260	370	110	820
Overseas	Less than 10	Less than 10	10	Less than 10	10
Total	80	260	380	110	830

• Impacts on sourcing of major raw materials

We expect that in raw material production regions too, unit prices for raw materials will increase in conjunction with reduced crop yields due to climate change-induced temperature rise and water risks. Below, we provide an overview of the results of our analysis of changes in yields and water risks in major raw material production regions.

Expected change in yields

- We expect reduced yields in cocoa bean and sugar source countries in the future.
- We expect the impact on dairy ingredients to remain within a few percentage decrease in both 2030 and 2050.

Expected water risks

- We expect flood risks to rise in most areas, and thus believe that we need to examine improvement measures upon confirming the flood risk of each production area.

* The impacts on procurement of major raw materials under the 4°C scenario were calculated based on future yield predictions in the GAEZv4 database (RCP8.5) released by the FAO and a literature survey.

2) Risk Reduction Measures

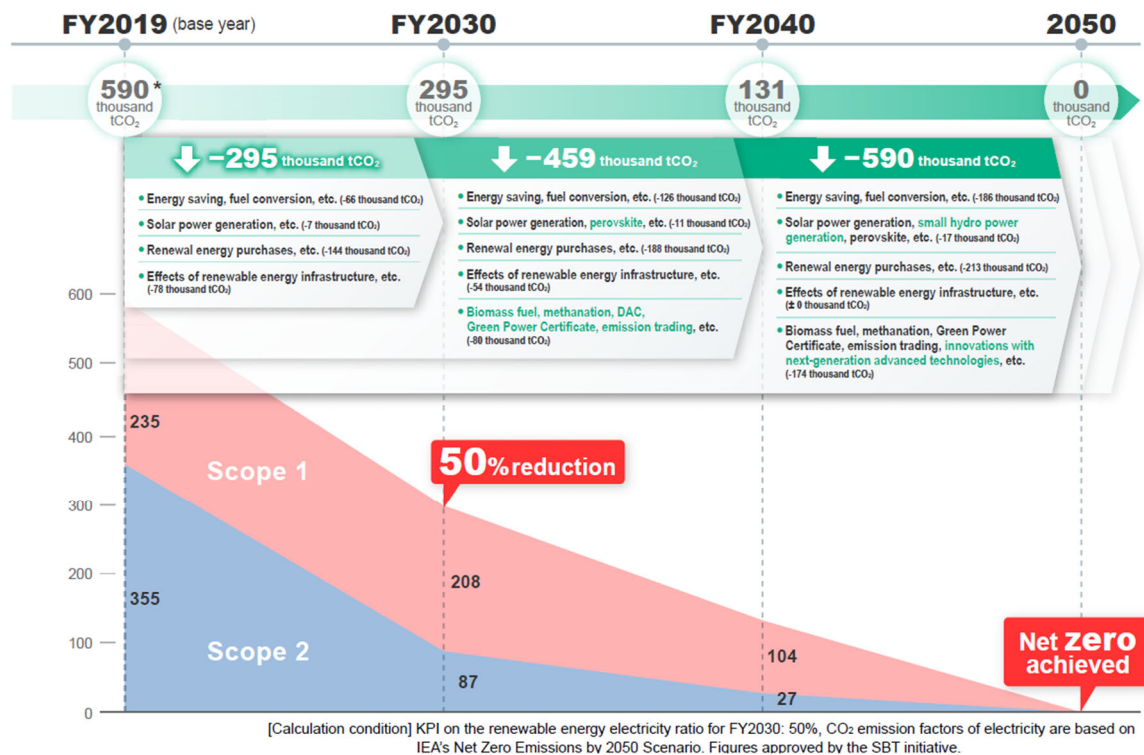
As a response to the transition risks and physical risks of climate change, the Group is promoting mitigation measures to reduce GHG emissions and adaptation measures to prepare for physical risks.

The Group is taking mitigation action to reduce GHG emissions based on the GHG management hierarchy of Institute of Environmental Management and Assessment.

- Eliminate: Transition to business structures that do not emit greenhouse gases throughout the lifecycle across business models and the business portfolio
- Reduce: Reduce energy use and GHG emissions by increasing the efficiency of manufacturing processes and transportation and taking other measures
- Substitute: Switch to energy and procured materials with lower GHG emissions by using renewable energy, procuring low-carbon materials, and other means
- Compensate: Compensate for GHG emissions that cannot be reduced, using offsets such as purchases of carbon credits

• Mitigation Measures (GHG Emissions Reduction) at Company Sites

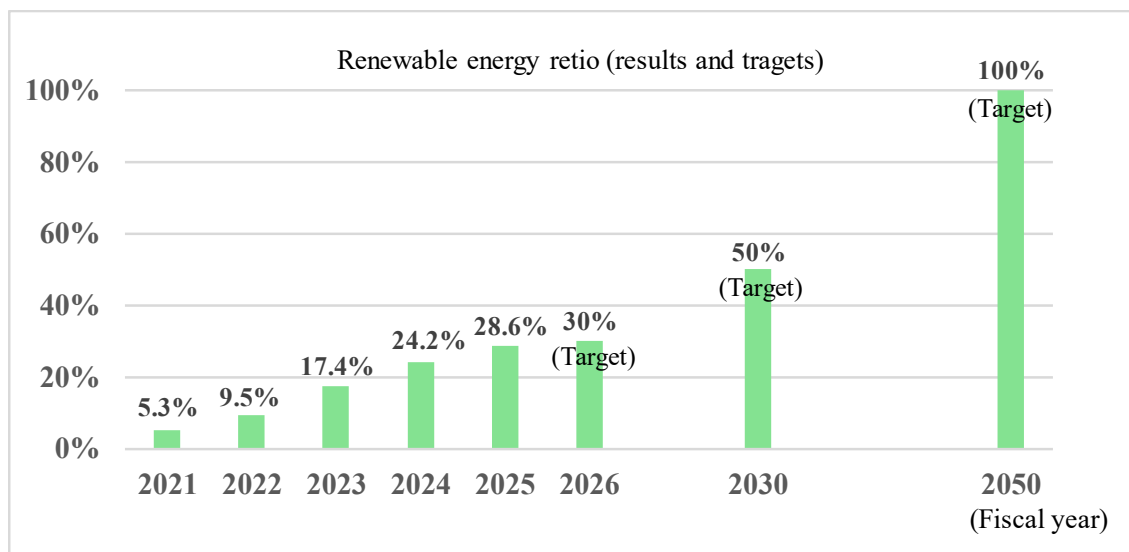
To reduce the Company's GHG emissions, in addition to our current initiatives including energy-saving and generation measures and purchase of renewable energy-derived electricity, we formulated a transition plan that incorporates the active introduction of new technology and next-generation energy. A summary is set forth below.



* Scope 1: Direct GHG emissions by the reporting company itself (from fuel consumption and industrial processes)

Scope 2: Indirect GHG emissions from the use of electricity, heat, or steam supplied by others

The Group has implemented various mitigation measures, including the adoption of solar power generation equipment and energy-efficient equipment at our factories and other facilities, as well as the purchase of renewable energy-derived electricity supported by RE100. As a result of promoting these measures in line with the transition plan, in FY2025, renewable energy accounted for 28.6% of total electricity used. The Group is taking further action with a target of reaching 100% by 2050.



Example of mitigation measures: Installation of a Solar Panel in Gunma Plant

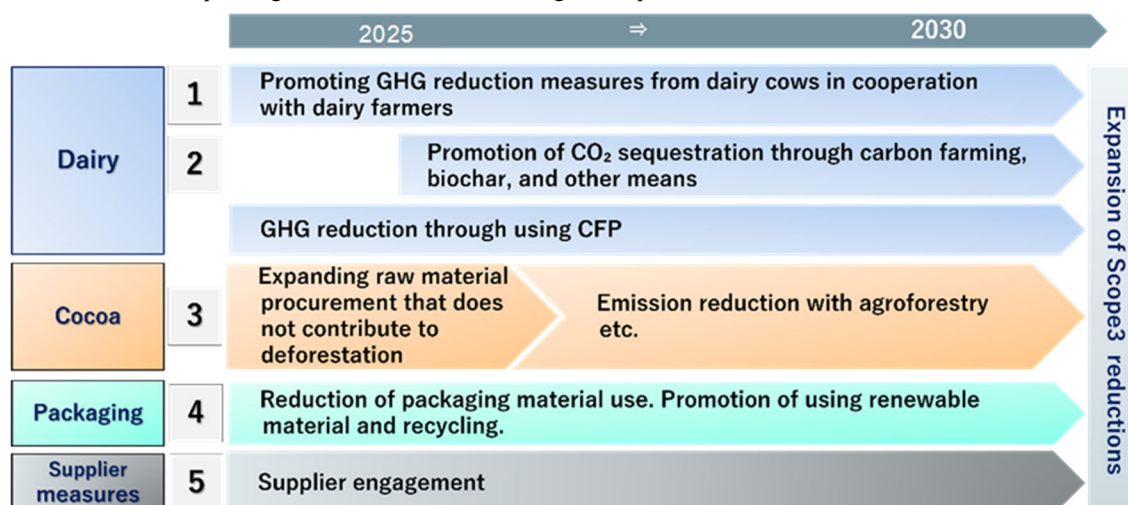
We installed solar panel equipment at the Gunma Plant. Operation began in April 2025, and this equipment reduced CO₂ emissions by approximately 597 tons per year by the end of FY2025.

• Mitigation Measures (GHG Emissions Reduction) in Supply Chains

We consider the reduction of not only CO₂ emissions but also GHG emissions in general, such as methane from the dairy industry, to be an important issue with respect to major raw materials. In order to reduce GHG emissions, we have established a transition plan for Scope 3, focusing on dairy. In order to effectively reduce GHG emissions, we began by calculating the carbon footprint (CFP) of milk to identify the processes with the highest GHG emissions throughout the supply chain, and then developed and initiated measures to reduce emissions in those processes. In addition, we will consider measures for other raw materials and engage with suppliers to reduce their GHG emissions, thereby facilitating emissions reductions at suppliers and, ultimately, throughout the supply chain.

Below is an outline of the transition plan for Scope 3 Reduction.

Details of the corresponding measures for 1 to 5 in the figure are provided below.



*Scope 3: Indirect GHG emissions from the supply chain other than Scope 1 and Scope 2, generated in the supply chain in business activities from the production, manufacturing, and transportation of purchased raw materials, packaging materials, etc. to the sale, transportation, use, and disposal of products manufactured from those materials.

Countermeasure 1: Measures to Reduce GHGs from Dairy Cows (demonstration experiment to reduce methane in the breath of dairy cows)

With the cooperation of dsm-firmenich, a major feed and food additive manufacturer based in Switzerland and the Netherlands, we are working on a project to reduce the methane contained in cow burps, which is the biggest issue among GHGs associated with dairy farming. By administering the company's developed drug "Bovaer[®]" to cows, we expect to be able to reduce methane emissions from the cow's digestive tract by an average of about 30%. In FY2025, we registered GHG reductions through the administration of Bovaer[®] as a methodology under the J-Credit scheme.

Countermeasure 2: Measures Relating to Carbon Farming

Carbon farming is an agricultural method that aims to reduce GHG emissions and improve the quality of farm soil by capturing atmospheric CO₂ in farm soil. In August 2023, we established the East Hokkaido Carbon Farming Research Group with dairy farmers and Betsukai town and measured the amount of CO₂ stored in the soil in Betsukai. In FY2025, we applied compost and mulch, and implemented cover crops to cover the soil with grasses, and assessed changes in soil conditions. As a result, the formation of soil aggregate structure was observed in plots where compost was applied, suggesting the potential for increased carbon sequestration. In addition, the introduction of cover crops was found to reduce the hardness of the soil surface layer and contribute to improved water retention and a better environment for plant growth.

Countermeasure 3: Measures Relating to Cocoa

To respond to climate change, we are providing guidance on cultivation methods adapted to climate change and replanting deforested areas using a variety of crops through agroforestry to restore forests in Ghana. Also, product yields are expected to decline in conjunction with climate change, and to address this, we have invested in California Cultured Inc., a cocoa cell culturing startup, to promote sustainable cocoa procurement.

Countermeasure 4: Plastic Resource Recycling Measures

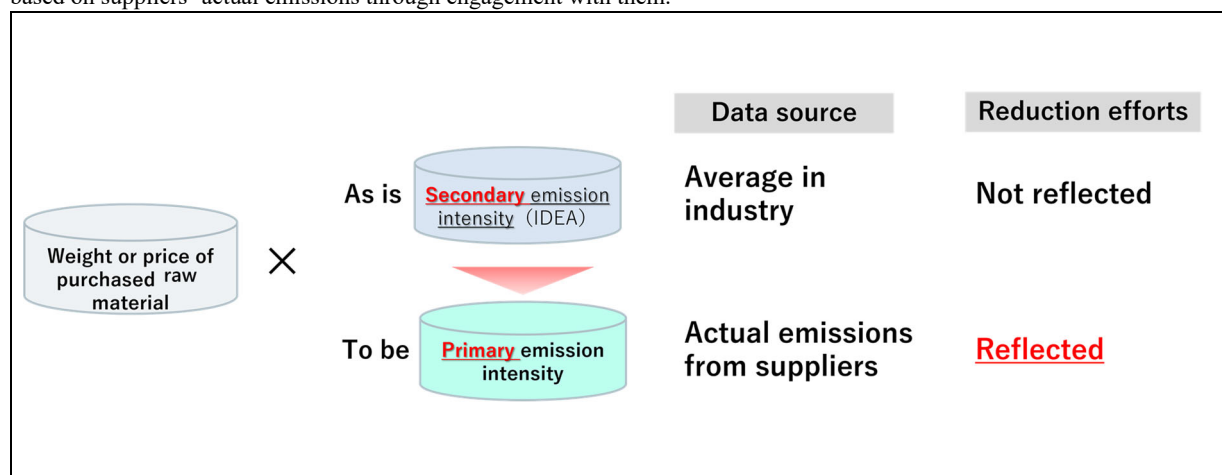
Reducing the use of plastic made from oil, which is the main raw material in packaging material, leads to reductions in GHG emissions. We reduced the weight of the "R-1 Drink Type" bottle by modifying its shape. As a result of this weight reduction, plastic usage per bottle is reduced by 43%. In addition, as a measure to reduce petroleum-derived plastics, more than 95% of the tray for the "Kinoko no Yama" handmade kit is made from biomass plastic derived from cocoa husks.

Plastic Usage Targets and Trends

Year	FY2017 (Base Year)	FY2024 (Result)	FY2030 (Target)
Result (t)	30,807	23,549	21,567
(Of which, recycled plastics and biomass plastics used (t))	—	2,185	—
Reduction (t)	—	7,258	9,240
Reduction rate (%)	—	23.6	30.0

Countermeasure 5: Supplier Engagement

In order to reflect efforts to reduce CO₂ emissions in the supply chain in Scope 3, we are working to obtain primary data based on suppliers' actual emissions through engagement with them.



Target Suppliers	Details of Engagement
[FY2025 Result] In addition to 22 suppliers with high GHG emissions, we promoted collaborative engagement through the Consumer Goods Forum.	[Requests] • Calculate emissions for each raw material produced by the Group • Calculate GHG emissions results and set reduction targets [Issues] • Reflect emissions data received from suppliers in Scope 3

• Adaptation measures (initiatives to reduce flood risks)

We undertake the following initiatives as flood risk countermeasures.

- Conduct gap analysis of risk assessment results in collaboration with local authorities at high-risk sites to understand the actual situation.
- Conduct detailed surveys of business sites with particularly high priority and investigate and implement physical countermeasures in anticipation of the flood area and flood depth. Example countermeasures are the installation of box walls (temporary water barriers) and waterproof walls.

3) Creation of Business Opportunities

We believe that the direct impact of climate change will alter society and daily lives, thereby creating new needs and opportunities. Also, we consider that promoting the mitigation of climate change leads to opportunities for cost reduction. The Meiji Group expects to obtain opportunities including those mentioned below by leveraging our current operating bases and adopting new resources.

[Business cost reduction by mitigation measures (e.g. electricity bill and carbon pricing, etc.)]

As shown in the analysis of the 1.5°C scenario, while business costs depending on future CO₂ emissions are expected, undertaking mitigation measures will help reduce those costs.

Unit: billion yen

Effects	2030	2050
Carbon price reduction by promoting mitigation measures	1.9	2.8
Reduction of electricity bill by energy saving and generation	4.3	5.8
Total	6.2	8.6

[Increase in product demand and market needs arising from the impact of climate change]

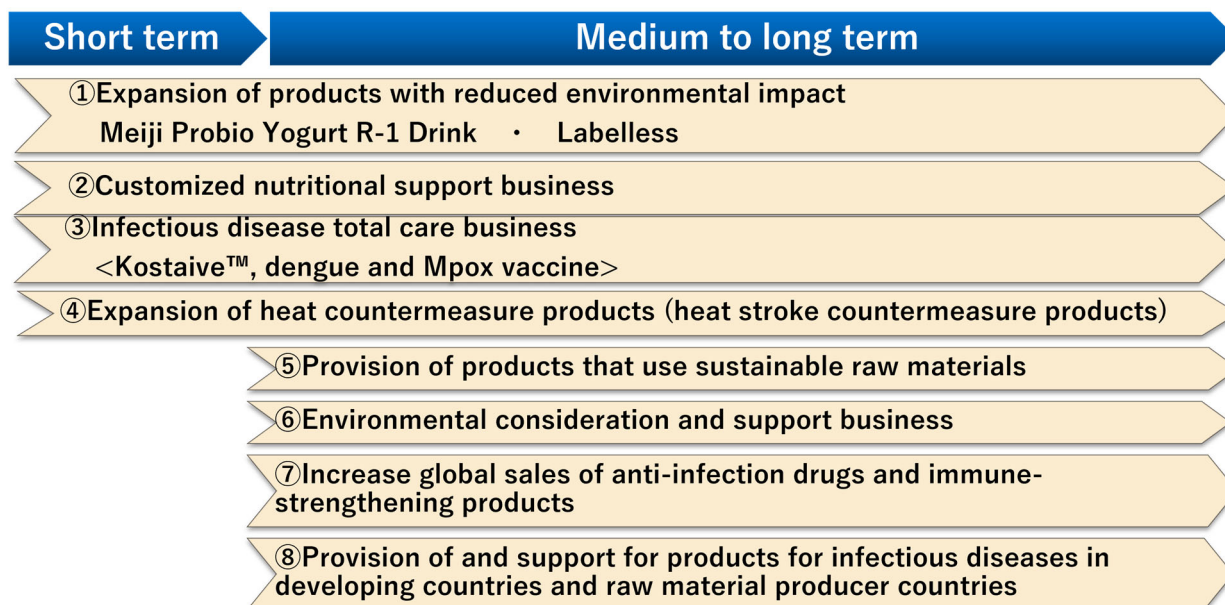
We considered the impacts on the business through the process below.

- Members of the Group TCFD Committee secretariat conduct individual hearings of organizations relating to investigation of opportunities.
- The Group TCFD Committee deliberates on the direction of opportunities.
- Opportunities are quantitatively organized from perspectives including the relationship with existing business, the possibility of responding using existing company assets, and feasibility.
- Business opportunities are identified by narrowing keys to gaining opportunities down to highly feasible ones.

Direct impact of climate change	Impact of climate change on society and daily life
• Rise in average temperature • Intensification of disasters • Changes in precipitation patterns • Harm to biodiversity • Reduction of crop yields • Rise in sea level • Permafrost thawing - etc.	• Changes in lifestyles resulting from temperature rise (e.g., self-restraint on going out and moving between locations, staying at home, thirst-quenching, heat stroke) • Rise in food and energy prices, changes in producer expenditures • Stricter GHG emission restrictions, manifestation of water risks (water shortages, deterioration of water quality) • Promotion of environmental load-reducing lifestyles (e.g., reduction of waste and discarded unsaleable products, energy-saving, and ethical consumption) • Permanent overwhelming of medical institutions and increased awareness of infectious disease prevention • Increased awareness of disaster countermeasures • Intensified malnutrition in developing countries

Keys to gaining opportunities	Needs expected to grow	Opportunities for the Meiji Group
Responses to changes in lifestyles (e.g., staying at home)	• Thirst-quenching and heatstroke countermeasures as a result of temperature rise • Products and systems to complete daily activities inside one's home • Maintenance of health through improved nutritional balance	• Expand heat countermeasure products (Figure 4 below) • Customized nutrition-supporting businesses (Figure 2 below)
Response to growing environmental awareness	• Products with low environmental impact (e.g., vegetable-derived products, cell culture, circular agriculture) • Products and lifestyles that involve fewer discarded products and reduced energy use • Sustainable sourcing of raw materials	• Expand environmental impact-reducing products (Figure 1 below) • Eco-friendly and environment-supporting businesses (Figure 6 below) • Expand products that use sustainable raw materials (Figure 5 below)
Responses to emerging and reemerging infectious diseases	• Habituation of infectious disease prevention behaviors (e.g., gargling, hand-washing, mask-wearing, and boosting the immune system) • Self-medication for infectious diseases • Countermeasures against infectious diseases in developing countries	• Globally expand infectious disease drugs and products to boost the immune system (Figure 7 below) • Business for comprehensive infectious disease treatment (e.g., natural immunity, acquired immunity, and pharmaceuticals) (Figure 3 below) • Supply infectious disease products to developing countries and raw material-producing countries and provide support (Figure 8 below)

In addition, we prioritized these eight business opportunities along a time axis, from those that are currently being worked on to those we will work on in the medium to long term.



Business Opportunities ① and ⑤ “Expansion of Products with Reduced Environmental Impact” and “Provision of Products That Use Sustainable Raw Materials”

Creation of business opportunities by strengthening initiatives related to the Meiji Sustainable Products in-house certification system

We aim to create new value by actively working on sustainability in each process of the value chain (development, procurement, production, distribution, and consumption), and promoting Meiji Sustainable Products to customers as products that address social issues. In addition to the existing certification scheme for products in the Food Segment, the system has also been applied as an evaluation framework for the Pharmaceutical Segment from FY2025.

[Examples of Certification Criteria for Food Segment Products]

Business Opportunity	Certification Criteria	Primary Requirement
Opportunity ① Expansion of products with reduced environmental impact	Human rights and environmentally conscious containers and packaging	Reduction of plastic consumption volume, use of recycled plastic and biomass materials Recycling-friendly design, etc.
Opportunity ⑤ Provision of products that use sustainable raw materials	Human rights and environmentally conscious procurement of raw materials	Use of raw materials produced with certified raw materials and with ecofriendly agricultural methods

Business Opportunity ③ “Infectious Disease Total Care Business”

<Acquisition of New Modality>

The Meiji Group obtained domestic manufacturing and marketing approval for “KOSTAIVE for Intramuscular Injection (two-dose vial),” a COVID-19 vaccine. “KOSTAIVE for Intramuscular Injection (two-dose vial)” is a two-dose vial formulation designed for ease of use in routine clinical practice (previously: 16-dose vial). This vaccine is expected to offer a strong immune response with lower mRNA doses, using novel sa-mRNA technologies. The Group will acquire advanced modality technologies and set up a technical foundation for developing new vaccines in the future.

i. Development of a novel vaccine for dengue

Global warming and changes in precipitation brought about by climate change are altering the habitats and living environments of vectors. This is resulting in dengue outbreaks in increasingly wider areas.

The dengue virus is a type of mosquito-transmitted virus that triggers dengue fever, dengue hemorrhagic fever, and dengue shock syndrome in humans. The WHO reports that dengue is prevalent in at least 100 tropical- and subtropical-region countries, and 3.9 billion people—roughly half of the world’s population—are at risk of infection, while 100–400 million people get infected every year. Some reports estimate that 390 million people become infected and 96 million develop the disease each year. According to

World Economic Forum, at the end of this century, there is possibility that 8.4 billion people may become infected by mosquito-transmitted virus including dengue.

“KD-382,” a live attenuated tetravalent dengue fever vaccine, has shown good immunogenicity and preventive effects against all four dengue virus serotypes in non-clinical studies and phase I clinical studies in healthy adults in non-endemic countries. Given that children are at high risk of developing severe dengue cases, we are conducting Phase II clinical studies with the support of the Strategic Center of Biomedical Advanced Vaccine Research and Development for Preparedness and Response (SCARDA) to investigate KD-382’s safety and immunogenicity in children. In addition, KD-382 is selected through the “Large-scale Vaccine Clinical Study Project” by the Ministry of Health, Labour and Welfare. We plan to utilize the subsidy from this project to conduct a phase III clinical study of the vaccine. The vaccine is a promising new option for preventing dengue.

ii. International contribution to the control of the epidemic of Mpox (acute exanthematous disease) with approved vaccines

As a result of global climate change causing droughts and other sudden changes in weather conditions in various regions, viruses such as Mpox, which were previously only transmitted between animals, are increasingly spreading to humans, and the WHO has indicated that the spread of infectious diseases is becoming more persistent and frequent.

The Mpox epidemic has been ongoing in African countries, particularly the Democratic Republic of the Congo, with large numbers of infected patients and deaths being still reported. Our group’s LC16 KMB (LC16m8 vaccine) was approved for the additional efficacy of “prevention of Mpox” in August 2022, and was added to the WHO emergency use list in November 2024. It is a live attenuated vaccine that can be used for all ages, including infants, and can be used to prevent infection with a single vaccination. According to a report by the Africa Centres for Disease Control and Prevention (Africa CDC), LC16 KMB, which was provided free of charge by the Government of Japan to the Democratic Republic of the Congo, has been administered to approximately 1.6 million people locally (as of the end of March 2026). Going forward, the Group will aim to obtain WHO prequalification. In addition, while continuing to cooperate with the WHO, the Ministry of Health, Labour and Welfare, and other relevant organizations, the Group will contribute to responding to international public health emergencies by expanding vaccinations in endemic areas, with the aim of helping to eliminate the serious Mpox epidemic in African countries, particularly the Democratic Republic of the Congo.

(3) Risk Management

The Group promotes Group-wide risk management to appropriately address risks that could have a significant impact on its business activities. Within risk management, we position climate change as a key management risk. Recognizing that climate change-related risks and opportunities change over time, the Group TCFD Committee conducts quantitative analysis and evaluations using scenario analysis in line with the TCFD recommendations and identifies high-priority major impacts. For details of the scenario analysis, please refer to (2) Strategy. Based on this, the Committee considers countermeasures aligned with risk management flows. The Meiji Holdings Risk Management Department also participates in the Group TCFD Committee, which recognizes climate change impacts as major risks to the Group as a whole and has established systems to respond to those risks.

(4) Metrics and Targets (Including Progress)

The Meiji Group established materialities and KPIs by formulating—and based on—the Meiji Group Sustainability 2026 Vision as well as our long-term environmental vision, the Meiji Green Engagement for 2050. As a long-term environmental vision, the climate change KPI is aimed at limiting the increase in the global average temperature to within the Paris Agreement target of 1.5°C.

Responses to climate change-related risks and opportunities (e.g., activities to reduce environmental impacts and raw material sourcing) entail diverse actions. We have established KPIs and regularly check their progress and work systematically to achieve them. For details of the KPIs, please refer to 2. Views and initiatives on sustainability, (4) Indicators and targets of the 2026 Medium-Term Business Plan. We also evaluate these initiatives as part of the Meiji ROESG^(*) indicators and reflect them in the remuneration of directors.

The results of the Group’s GHG emissions (Scopes 1, 2, and 3) for FY2025 are disclosed on the website below.

<https://www.meiji.com/global/sustainability/esg-index.html?tab-active-4>

GHG emissions are calculated based on the GHG Protocol and the Ministry of the Environment’s Greenhouse Gas Emissions Accounting, Reporting and Disclosure System. There were no changes to the measurement approach during the fiscal year.

- Consolidation approach: operational control-based approach
- Scope 2 calculation method: market-based approach

* We consider it difficult to separately present the climate-related evaluation items of the Meiji ROESG.

<Internal Carbon Pricing System>

We changed the carbon price of the internal carbon pricing system from 5,000 yen to 15,000 yen per 1 t-CO₂ starting in FY2024, preparing to ensure a smooth transition after the full-scale introduction of carbon pricing.