Methodology for Calculating Scope 1 and Scope 2 Greenhouse Gas Emissions

- Organizational Boundary: KURARAY CO., LTD. and 31 consolidated manufacturing subsidiaries
  (manufacturing sites, research and development facilities, and principal offices, including the corporate headquarters)

- GHG Covered Carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6), nitrogen trifluoride (NF3)
- Reporting Period: January 1, 2025 to December 31, 2025

GHG emissions are compiled and calculated in accordance with the Group's calculation rules developed in line with the GHG Protocol. The reporting boundary is established based on the operational control approach under the GHG Protocol.

Scope	Reporting Criteria
Scope 1	**Energy-related Greenhouse Gas Emissions** Emissions were calculated by multiplying fuel consumption or purchased quantities by the applicable emission factors. Emission factors were based on the Explanation of Standard Calorific Values and Carbon Emission Factors by Energy Source (FY2018 Revision, updated November 2022) published by the Ministry of Economy, Trade and Industry (METI). For overseas operations, the emission factors used in Japan were applied as proxies. However, where a more accurate representation of actual fuel characteristics was required, emission factors established based on fuel composition were used. **Non-energy-related Greenhouse Gas Emissions (GHG emissions from industrial processes and other activities)** Emissions were calculated using one of the following methods, depending on the emission source: (i) activity data (e.g., production volume) × emission factor, (ii) material balance method, (iii) direct measurement method, or (iv) model-based calculation using chemical reaction equations. Emission factors were based on those provided in the Greenhouse Gas Emissions Calculation, Reporting and Disclosure System – Greenhouse Gas Emissions Calculation and Reporting Manual issued by the Ministry of the Environment (MOE). However, where a more accurate representation of actual process conditions was required, emission factors established through process analysis were used. For greenhouse gases other than carbon dioxide (CO_2), Global Warming Potentials (GWPs) from the IPCC Fifth Assessment Report (AR5), 100-year time horizon, were applied.
Market-based Scope 2	- Emissions were calculated by applying the relevant emission factors to activity data, including the consumption or purchase of electricity, steam, heating, and cooling supplied by external providers. - Supplier-specific emission factors are used. U.S. Emission Factors for Greenhouse Gas Inventories published by Environmental Protection Agency (EPA) are used for US location where supplier-specific factors are unavailable. Country factors published by International Energy Agency (IEA) are used for others

The quantification of greenhouse gas emissions is subject to uncertainties associated with the measurement of activity data, the determination of emission factors, and scientific uncertainties relating to the determination of global warming potentials (GWPs).