



CERES INC.

2025 CDP Corporate Questionnaire 2025

Word version

Important: This export does not include unanswered questions

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that have been answered or are in progress. Questions or data points that you were requested to provide may not be included in this document because they are currently unanswered. It is your responsibility to confirm that your questionnaire response is complete before submission. CDP accepts no responsibility if a response is incomplete.

[Disclosure terms](#)

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C1. Introduction

(1.1) In which language are you submitting your response?

Selected:

☒ Japanese

(1.2) Select the currency used for the disclosure of financial information throughout your response.

Selected:

☒ JPY

(1.3) Provide general information and an overview of your organization.

(1.3.2) Organization type

Selected:

☒ Publicly traded organization

(1.3.3) Details of your organization

[Company overview]

CERES INC. (hereinafter "Ceres") is an internet-related company founded in 2005, which marks its 25th anniversary this year. Following its listing on the Tokyo Stock Exchange Mothers market in 2014, it transferred to the Prime Market of the Tokyo Stock Exchange in April 2022. Led by President and Representative Director Satoshi Takagi, the company operates under the management philosophy of "Realizing an affluent world through internet marketing," and develops its business around two pillars: the Mobile Services business and the Financial Services business. In the Mobile Services business, the company operates the affiliate program "AD.TRACK" and D2C businesses, centered on "Moppy," one of the largest point-reward sites in Japan. In the Financial Services business, it operates crypto-asset exchange services, factoring services, and corporate venture capital, expanding into a wide range of fields. The organization is centered on young talent, with an average age of 31; although it has positions such as executive officers, managers, and leaders, it is characterized by an open corporate culture. Placing importance on agility, transparency, and soundness in management, the company aims to maximize corporate value over the long term as a listed company.

[Risk management structure]

As for the risk management structure, a Risk Management Committee has been established in accordance with the Risk Management Regulations. The Director in charge of the Administration Division serves as chair and oversees the framework as a whole, contributing to sustainable growth and value enhancement. The company is also actively working to strengthen corporate governance, and implements all of the principles of the Corporate Governance Code. Our basic objective for corporate governance is to build a structure that maximizes corporate value from a long-term perspective as a listed company, and we are enhancing our management organization in order to promote "management efficiency" and strengthen "compliance."

Ceres belongs to the internet-related industry, where the circumstances surrounding the business change rapidly. We recognize that securing agility in management while simultaneously enhancing transparency and soundness, and thereby ensuring the trust of stakeholders including shareholders, customers, users, and employees, is one of our most important management priorities. We will ensure thorough information management, provide necessary disclosures appropriately and without delay, and fulfill our accountability to stakeholders. In addition, in order to strengthen compliance, we are actively addressing matters such as reinforcing the internal audit system and improving service quality by leveraging strict adherence to personal information protection rules under the PrivacyMark certification, and we will continue to take a sincere approach to enhancing our internal structure. With respect to cross-shareholdings, our basic policy is to hold them only on a limited basis after carefully examining the synergies to be gained from business collaboration and information sharing with the companies concerned, and we review decisions on continued holding as appropriate. For risk management associated with climate change, we have established a Sustainability Committee chaired by the President and Representative Director, which works in coordination with the Risk Management Committee. Under the supervision of the Board of Directors, initiatives to resolve environmental issues are planned and implemented at the Management Meeting, and the interrelationships among climate-related dependencies, impacts, risks, and opportunities are assessed on the basis of a "Risk Assessment Sheet."

In line with the TCFD recommendations, we have linked our transition plan toward a decarbonized society with our business strategy. In December 2021 we formulated the "Medium-Term Management Plan 2026" (a five-year plan), and we are growing our business with the creation of a "token economy" — which fuses the points economy with blockchain technology — as our medium- to long-term management policy. This aims not merely at business expansion but at becoming a platform that contributes to revitalizing socio-economic activity, and it demonstrates our stance of placing sustainability management at the core of our business strategy.

[Initiatives as a sustainable internet company]

Ceres is actively promoting initiatives in order to fulfill its responsibility as a "sustainable internet company" that contributes to the realization of a sustainable society. The President and Representative Director personally exercises strong leadership in sustainability management, and sustainability is integrated into our business activities themselves so as to achieve both the resolution of environmental and social issues and economic growth. Ceres has established seven materialities (material issues) on which it should focus in particular, the foremost of which is "Contributing to the realization of an affluent society through our own services." Based on this policy, we are concretely implementing contributions to the resolution of a variety of environmental and social issues.

[Contribution to climate action and the setting of clear targets]

Ceres has strongly declared its international commitment to measures against global warming. In 2021 it joined the Japan Climate Leaders' Partnership (JCLP) as a supporting member, endorsing the global target of net-zero greenhouse gas emissions by 2050. In the same year it also participated in "RE Action — Declaring 100% Renewable Energy," declaring that it would convert 100% of the electricity used in its business activities to renewable energy; it has achieved this target continuously from 2021 through 2024. Newly, in June 2025, the company joined the Japan Climate Initiative (JCI). Under its declaration to "Join the front line of the global push for decarbonization from Japan," we are strengthening information dissemination and the exchange of views together with a diverse range of non-national-government actors — companies, local governments, NGOs/NPOs and others that are actively addressing climate change — and are promoting decarbonization by making use of these networks.

In July 2025, the company signed and endorsed the United Nations Global Compact (UNGC), declaring its compliance with the Ten Principles concerning human rights, labour, the environment and anti-corruption. Furthermore, with a view to obtaining certification of science-based greenhouse gas emissions reduction targets

(SBT), we have declared a net-zero commitment and are proceeding with third-party verification for the base year and with target validation. As specific greenhouse gas reduction targets, the "Ceres Environmental Targets" (established June 5, 2025) set a "net-zero target" of reducing all Scope 1, 2 and 3 emissions to net zero by 2050. As short-term targets, we have set a 100% reduction in Scope 1+2 emissions by 2030 compared with FY2024 (achieving 100% renewable energy) and a 25.2% reduction in Scope 3 emissions compared with FY2024 (an annual rate of 4.2%). These are concrete figures aligned with the 1.5°C target (the greenhouse gas concentration scenario used in the RCP2.6 climate change projection).

[Contribution to biodiversity conservation]

In addition to climate action, Ceres recognizes biodiversity conservation as an important issue, and in May 2025 it joined the TNFD (Taskforce on Nature-related Financial Disclosures) Forum as a member. We are promoting the assessment of impacts on biodiversity and contributions to nature positive outcomes. In particular, the fact that we announced our participation in the TNFD Forum on May 22, the International Day for Biological Diversity, demonstrates our strong intent.

Ceres believes that blockchain technology makes it possible to record information on biodiversity conservation and use transparently and securely and to ensure traceability, thereby curbing illicit trading and overharvesting, and further making it possible to build mechanisms for trading the value of biodiversity as digital assets.

[New value creation and social contribution using blockchain technology]

The creation of a "token economy," which forms the core of Ceres' medium-term management plan, also plays an important role in advancing sustainability. Points earned on the point-reward site "Moppy" can be exchanged for cash, electronic money, and crypto assets (tokens); leveraging their high affinity with blockchain technology, we promote access to digital finance.

Through our group companies Mercury Inc. and bitbank, Inc., which hold crypto-asset exchange licenses, and Laboru Inc., which supports the cash flow of freelancers and small businesses, we help support economic growth and financial access for all people, contributing to the promotion of financial inclusion and the achievement of the SDGs. This contributes to SDG 1 "No Poverty" and SDG 8 "Decent Work and Economic Growth."

Furthermore, blockchain technology has the potential to enhance the transparency and efficiency of the generation, trading and tracking of carbon credits, allowing them to be traded on the market as "digital environmental value assets" with reduced risk of illicit trading and double counting. This will make it easier for stakeholders such as investors to select more sustainable business models and solutions, creating new value that shifts the flow of funds in an environmentally friendly direction, and we aim thereby to contribute to the realization of carbon neutrality.

[Comprehensive environmental policy and targets]

Ceres has established the "Ceres Environmental Policy," setting out a comprehensive approach to reducing environmental impact. This includes compliance with environmental laws and international agreements, contribution toward achieving carbon neutrality across the entire value chain, pollution prevention, promotion of resource circulation, conservation and effective use of water resources, conservation of biodiversity, proactive disclosure of environment-related information and communication with stakeholders, and continual improvement of the environmental management system. Based on these policies, and in order to give concrete form to our climate transition plan (achievement of the 1.5°C target), we have set out quantitative targets such as our 2030 greenhouse gas reduction targets and the implementation of the LEAP approach in line with the TNFD recommendations. Through these wide-ranging initiatives, Ceres aims not only to fulfill its responsibility as an internet company but also to contribute, through its technologies and services, to improving the sustainability of society as a whole, and thereby to enhance corporate value over the long term. Ceres will not remain merely a profit-seeking company; as a "sustainable internet company" that makes the resolution of environmental and social issues the driving force of business growth, we will accelerate our contribution to a sustainable future.

[Ceres consolidated group]

<Mobile Services business>

- Deanna Inc.
- Bacchus Inc.
- Salus Inc.

- studio15 Inc.
- Yumemi Inc.

<Financial Services business>

- Laboru Inc.
- Mercury Inc.
- Apollo Capital Inc.

The consolidated group above is aligned with the Ceres consolidated financial statements and our environmental reporting in terms of both period and scope.

[Fixed row]

(1.4) Enter the end date of the reporting year for your data. For emissions data, state whether you will provide emissions data for past reporting years.

(1.4.1) End date of reporting year

12/30/2024

(1.4.2) Is this reporting period aligned with your financial reporting period?

Selected:

☒ Yes

(1.4.3) Will you provide emissions data for past reporting years?

Selected:

☒ Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Selected:

☒ 1 year

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Selected:

☒ 1 year

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Selected:

☒ 1 year

[Fixed row]

(1.4.1) What was your organization's annual revenue for the reporting period?

27707000000

(1.5) Provide details of your organization's reporting boundary.

	Is the reporting boundary used for your CDP response the same as that used in your financial statements?
	Selected: ☒ Yes

[Fixed row]

(1.6) Do you have an ISIN code or another unique market identifier (e.g., ticker, CUSIP)?

ISIN code – bond

(1.6.1) Does your organization use this unique identifier?

Selected:

☒ No

ISIN code – equity

(1.6.1) Does your organization use this unique identifier?

Selected:

☒ Yes

(1.6.2) Provide your organization's unique identifier.

JP3423570005

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Selected:

☒ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Selected:

☒ Yes

(1.6.2) Provide your organization's unique identifier.

3696

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Selected:

☒ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Selected:

☒ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Selected:

☒ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Selected:

☒ Yes

(1.6.2) Provide your organization's unique identifier.

Corporate Number: 1010401073460

[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

☒ Japan

(1.24) Have you mapped your value chain?

(1.24.1) Value chain mapping

Selected:

☒ Yes, we have completed mapping our value chain or are currently in the process of mapping it

(1.24.2) Value chain stages covered in the mapping

Select all that apply

☒ Upstream value chain

☒ Downstream value chain

(1.24.3) Highest supplier tier mapped

Selected:

☒ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Selected:

☒ Tier 2 suppliers

(1.24.7) Description of mapping process and coverage

[Details of the mapping process and coverage]

In order to advance sustainability-conscious initiatives across the entire value chain, Ceres has formulated a "Sustainability Policy" and established seven materialities as guidelines governing the selection criteria for the products and services it procures for the businesses it conducts, the selection and evaluation of business partners, and the criteria for investment in venture companies. One of these is the priority materiality "Provision of environmentally conscious products and services," under which we place importance on promoting initiatives that take the global environment into account for all products and services we provide. For business partners, we conduct a risk assessment for each transaction, judging and evaluating — against our own criteria (questionnaire surveys and interviews, publicly disclosed information in sustainability reports, status of third-party certifications obtained, compliance information, etc.) — whether transparency and reliability in environmental, social and governance terms are appropriate, as well as dependencies, impacts, risks and opportunities relating to the environment, and we then trade and contract accordingly. We map the value chain by listing the related companies with which we have direct contracts.

[Fixed row]

(1.24.1) Have you mapped where in your direct operations or value chain plastics are produced, commercialized, used, or disposed of?

	Plastics mapping	Value chain stages covered in the mapping
	<i>Selected:</i> ☒ Yes, we have completed mapping plastics in our value chain or are currently in the process of mapping them	<i>Select all that apply</i> ☒ Direct operations ☒ Upstream value chain ☒ Downstream value chain

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

1

(2.1.4) How this time horizon is linked to strategic and/or financial planning

[The fiscal year concerned]

The reason for setting the short-term horizon at 0 to 1 year is to facilitate the assessment and comparison of environmental dependencies, impacts, risks and opportunities in the consolidated financial statements and in business strategy. It is linked so that, by working back from the long-term horizon, we can judge the gap against, and the achievement rate of, the single-year target obtained by dividing the reduction target by the number of years, and can put it into practice.

Medium-term

(2.1.1) From (years)

2

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

[Medium-term management plan on a five-year cycle]

The reason for setting the medium-term horizon at 2 to 5 years is that we formulate our medium-term management plan on a five-year cycle. It is linked in order to ensure consistency among medium-term strategy, financial strategy, environmental targets and the achievement of the SDGs, and to accelerate climate change measures in response to any gaps against progress.

Long-term

(2.1.1) From (years)

6

(2.1.2) Do you have an open-ended long-term time horizon?

Selected:

☒ Yes

(2.1.4) How this time horizon is linked to strategic and/or financial planning

[Long-term plan with no defined end point]

The reason for setting the long-term horizon at 6 years and beyond, with no defined end point, is that achieving carbon neutrality by 2050 is not a GOAL but one waypoint; it is linked as a baseline plan for carrying out a sustainable society and economic activity over an even longer term.

Through the implementation of the "Ceres Environmental Policy / Targets" and our low-carbon transition roadmap (climate transition plan), we will treat as waypoints the achievement of carbon neutrality for Scope 1 and 2 by 2030 and for Scope 1, 2 and 3 by 2050, and will carry out our business activities over the long term.

As a specific link to business strategy, we calculate on a single-year basis the emissions intensity per unit of revenue, composed of greenhouse gas emissions associated with business activities and net sales, and we link the emissions-intensity-per-revenue target to the 2030 and 2050 targets so that greenhouse gas reduction is tied to business growth.

As a link to financial planning, we compare and evaluate the financial impact of switching electricity plans to renewable energy, offsetting through renewable energy certificates (J-Credits), and the investment amounts in companies targeted for investment and development against future increases in carbon taxes (carbon pricing). At the same time, we link improvements in our CDP and EcoVadis scores and the achievement of Scope 1, 2 and 3 reductions as indicators showing that efforts to enhance corporate value through corporate branding as an environmentally conscious company lead to stakeholder expectations and move financial planning in a positive direction, including fundraising and talent recruitment.

[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and impacts?

	Process in place	Dependencies and impacts evaluated in this process
	Selected: ☒ Yes	Selected: ☒ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and opportunities?

	Process in place	Risks and opportunities evaluated in this process	Does this process consider the results of the dependency and impact assessment process?
	Selected: ☒ Yes	Selected: ☒ Both risks and opportunities	Selected: ☒ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

- ☒ Climate change

(2.2.2.2) In the process related to this environmental issue, which of dependencies, impacts, risks, and opportunities are covered?

Select all that apply

- ☒ Dependencies
- ☒ Impacts
- ☒ Risks
- ☒ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain
- ☒ Downstream value chain

(2.2.2.4) Coverage

Selected:

- ☒ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

- ☒ Tier 1 suppliers

(2.2.2.7) Type of assessment

Selected:

- ☒ Both qualitative and quantitative

(2.2.2.8) Frequency of assessment

Selected:

☒ Annually

(2.2.2.9) Time horizons covered

Select all that apply

Short-term

Medium-term

Long-term

(2.2.2.10) Integration of risk management process

Selected:

☒ Integrated into cross-functional, organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☒ Country

(2.2.2.12) Tools and methods used

Enterprise risk management

☒ Enterprise risk management

International methodologies and standards

☒ IPCC climate change projections

Other

☒ Materiality assessment

☒ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical risks

- ☒ Heat waves
- ☒ Drought
- ☒ Landslides
- ☒ Wildfires
- ☒ Land subsidence
- ☒ Tornadoes
- ☒ Heavy precipitation (rain, hail, snow/ice)
- ☒ Cyclones, hurricanes, typhoons
- ☒ Storms (including blizzards, dust storms, and sandstorms)
- ☒ Flooding (coastal, fluvial, pluvial, groundwater)

Chronic physical risks

- ☒ Changes in land use
- ☒ Changes to precipitation patterns and types (rain, hail, snow/ice)
- ☒ Changes in temperature (atmosphere, freshwater, marine water)
- ☒ Increased severity of extreme weather events
- ☒ Temperature variability

Policy

- ☒ Carbon pricing mechanisms
- ☒ Changes to national legislation

Market risks

- ☒ Increased availability or cost of certified sustainable raw materials
- ☒ Increased availability or cost of raw materials
- ☒ Changes in customer behavior

Reputational risks

- ☒ Impacts on human health
- ☒ Increased concern from, or negative feedback from, partners and stakeholders
- ☒ Negative press coverage relating to support for projects or activities that adversely affect the environment (GHG emissions, deforestation/conversion, water stress, etc.)

Technology risks

- ☒ Data access/availability or monitoring systems
- ☒ Transition to lower emissions technologies and products
- ☒ Unsuccessful investment in new technologies

Liability risks

- ☒ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- ☒ Customers
- ☒ Employees
- ☒ Investors
- ☒ NGO
- ☒ Regulators
- ☒ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Selected:

- ☒ No

(2.2.2.16) Further details of the process

(Process)

Ceres' management process for environmental and climate change-related dependencies / impacts / risks / opportunities is as follows:

1: Working with each department, the Sustainability Promotion Group assesses and judges the magnitude (large/medium/small) of the financial impact of climate change, the frequency of occurrence, and the likelihood of occurrence. Through assessment of the three elements of quantitative, qualitative, and impact-and-likelihood, a primary screening of material items is carried out, and from among the material items screened, those that have a particularly significant financial or strategic impact are identified.

2: Climate-related risks / opportunities are shared and coordinated with the Risk Management Committee, chaired by the Director and General Manager of the Administration Division.

3: The Risk Management Committee and the Sustainability Promotion Group carry out a secondary screening of the risks / opportunities that have a significant financial or strategic impact, identify them as materialities, and map them.

4: The status of the identified risks / opportunities is reported to the Sustainability Committee, chaired by the President and Representative Director, which approves them or, where necessary, issues instructions to the heads of each department via the Management Meeting.

5: The Sustainability Committee reports and makes recommendations to the Board of Directors, and final decisions and confirmation regarding countermeasures for "material items among climate-related risks / opportunities" are made under the responsibility of the highest executive level and the supervisory level.

6: The Board of Directors issues instructions to the Sustainability Committee as necessary.

These constitute a management process covering not only climate change but also nature-related dependencies / impacts / risks / opportunities, using the LEAP approach.

(Details of risk identification)

In order to appropriately analyze transition and physical risks in its business activities, the Sustainability Promotion Group identifies inherent risks, including short-, medium- and long-term climate change risks, not only from the perspective of direct operations but also from the perspective of the value chain from upstream to downstream. It compiles each of these risks and evaluates them based on global frameworks such as the SDGs / SASB Standards / GRI / ISO 26001. In the risk assessment, for each category of transition risk / physical risk, the impact of the risk is evaluated against criteria for judging the materiality of risk, based on descriptions of the period over which the risk has an effect, the current status of the risk, the issues to be addressed to prevent the risk from materializing, the actions to resolve those issues, and the results anticipated from those actions; this assessment and monitoring are carried out regularly.

Ceres positions initiatives addressing climate-related issues as an important management priority. With the President and Representative Director as the highest responsible officer, it has established a Sustainability Committee which, in coordination with the Risk Management Committee, plans and implements initiatives to resolve environmental issues and assesses the interrelationships among climate-related dependencies, impacts, risks, and opportunities. We also regard communicating to the market that we are proactively addressing sustainability as an opportunity to attract ESG investment and further accelerate growth.

[Add row]

(2.2.7) Do you assess the interrelationships between environmental dependencies, impacts, risks, and opportunities?

(2.2.7.1) Assessment of interrelationships between environmental dependencies, impacts, risks, and opportunities

Selected:

☒ Yes

(2.2.7.2) Description of the method used to assess interrelationships

For environmental interrelationships, Ceres assesses them with reference to the following elements.

- Physical scenario: IPCC AR5 RCP2.6
- Transition scenario: IEA SDS
- Physical / transition scenario: IPCC AR5 RCP8.5
- Socioeconomic scenario: IPCC AR6 SSP1 (RCP2.6)
- Socioeconomic scenario: IPCC AR6 SSP5 (RCP8.5)
- Short-, medium-, and long-term time horizons
- Upstream value chain, downstream value chain, and direct operations
- Dependencies (assessing the extent to which business activities depend on natural capital such as water, land, and biodiversity)

- *Impacts (assessing the impact that business activities have on the environment)*
- *Risks (assessing the risks the company may incur as a result of environmental change)*
- *Opportunities (assessing the opportunities the company may gain as a result of environmental change)*

We analyze the results of the assessment of dependencies, impacts, risks and opportunities in a composite and comprehensive manner together with each scenario and time horizon, and thereby assess the interrelationships. We believe that understanding these interrelationships allows us to build a more comprehensive environmental strategy, to clarify how our efforts on environmental issues are connected to our business strategy, and to promote sustainable business growth. For example, Ceres' business strategy is to create a "token economy" composed of the points economy and blockchain, and to become a platform that revitalizes socio-economic activity.

Among the SDGs (17 goals) are "1: No Poverty" and "8: Decent Work and Economic Growth," and achieving these requires the promotion of financial inclusion. Points on the point-reward site "Moppy" can be exchanged for cash, electronic money and the like, and have a high affinity with crypto assets (tokens) such as Bitcoin and with blockchain technology, which we believe leads to the promotion of access to digital finance. We assess the interrelationship as follows: by creating a token economy through our own services, supporting economic growth and financial access for all people, and contributing to the promotion of financial inclusion, we help curb illicit overharvesting driven by poverty and promote the protection of biodiversity; as a result, protecting forests and fertile soil from destruction relates to climate change measures through CO2 absorption. In addition, realizing this also brings transition risks / opportunities relating to policies concerning crypto assets within the scope of mutual assessment: policy-driven transition risks / opportunities such as the Payment Services Act and the exchange registration system, the introduction of regulations on stablecoins, and tax reforms including lower tax rates, aggregation of profits and losses, and loss carry-forward deductions are also relevant. We therefore assess that raising the level of engagement in policy and actively making recommendations is also important in strengthening these interrelationships.

We will link these environmental interrelationships to our business strategy, minimize risks and maximize opportunities, and appropriately assess and act on our environmental interrelationships.

[Fixed row]

(2.3) Have you identified priority locations within your value chain?

(2.3.1) Identification of priority locations

Selected:

☒ No, but we plan to do so within the next two years

(2.3.7) Primary reason for not identifying priority locations

Selected:

☒ No standardized procedure available

(2.3.8) Explain why you have not identified priority locations

Ceres recognizes, manages and assesses that the commodities for which it has significant nature-related dependencies, impacts, risks and opportunities relate to timber / plastics, on which it depends mainly as packaging materials used to protect and package products. However, given the current structure of society there is no standardized procedure, and identifying the value chain beyond Tier 2 is difficult in terms of both resources and transparency and reliability. We therefore consider that, before identifying the locations in our value chain, the priority initiative is to adopt FSC-certified forest materials, biomass plastics and biodegradable plastics and to bring them into a circular loop. By promoting the procurement of certified materials and identification labels that enable traceability, we can connect Chain of Custody (CoC) links, extending from Tier 1 to the tiers beyond, which we consider an effective approach to minimizing nature-related impacts, and we will work on this accordingly.

Ceres will also advance its biodiversity-related commitments through the following initiatives.

1. Laws and policies

Ceres has joined the TNFD (Taskforce on Nature-related Financial Disclosures) Forum as a member, declaring its participation in international discussions and disclosure frameworks concerning biodiversity conservation. This constitutes action to proactively advance the development of international "laws and policies" relating to biodiversity and compliance with voluntary standards. We plan to implement the LEAP approach in line with the TNFD recommendations, and by integrating biodiversity impact assessment into our business strategy we will prepare for future laws and regulations and build a more robust corporate governance structure.

☑ Liveliness support, economic and other incentives

Ceres provides economic incentives that contribute to biodiversity conservation through its business.

- Moppy SDGs

Through the point-reward site "Moppy," we enable users to donate to environmental organizations, indirectly supporting the provision of funds to NGOs/NPOs working on biodiversity conservation.

- Use of blockchain technology

We believe that blockchain technology enables information on biodiversity conservation and use to be recorded transparently and securely and ensures traceability, making it possible to build mechanisms that help curb illicit trading and overharvesting. We aim to support the activation of new economic incentives that trade the value of biodiversity as digital assets.

☑ Education and awareness-raising activities

Ceres promotes education and awareness-raising activities to deepen understanding of biodiversity among internal and external stakeholders and to encourage behavioral change. By participating in the TNFD Forum and proactively communicating our own biodiversity conservation initiatives, we will raise awareness among employees, customers, investors and others, and play a role in increasing interest across society as a whole.

[Fixed row]

(2.4) How does your organization define substantive effects on the organization?

Risks

(2.4.1) Type of definition

Select all that apply

- ☒ Qualitative
- ☒ Quantitative

(2.4.2) Indicator used to define a substantive effect

Selected:

- ☒ Revenue

(2.4.3) Change in indicator

Selected:

- ☒ Percentage decrease

(2.4.4) Percentage change in indicator

Selected:

- ☒ 11-20

(2.4.6) Dimensions considered when defining

Select all that apply

- ☒ Frequency of the effect
- ☒ Time horizon over which the effect occurs
- ☒ Likelihood of the effect occurring

(2.4.7) Application of the definition

In line with the disclosure framework based on the TCFD recommendations, Ceres defines short-, medium- and long-term time horizons and the frequency and high/medium/low degree of impact under a below-2°C scenario and a 4°C scenario. In terms of qualitative business impact:

In line with the disclosure framework based on the TCFD recommendations, Ceres defines short-, medium- and long-term time horizons and the frequency and high/medium/low degree of impact under a below-2°C scenario and a 4°C scenario. In terms of qualitative business impact, we define: High: "the impact on business and finances is expected to be large"

Medium: "the impact on business and finances is expected to be somewhat large"

Low: "the impact on business and finances is expected to be minor."

Among the substantive effects on business and finances, we define as "risks / opportunities" all possibilities of generating unexpected losses or gains, and we have

established a management structure to preserve corporate value. Among these "risks / opportunities," we define as "risks / opportunities with a substantive effect" those that would cause an increase or decrease of 10% or more of net sales or 30% or more of net income — the thresholds of the timely disclosure system for listed companies on financial instruments exchanges — as well as those that the Board of Directors judges, for other reasons, to have a substantive effect on Ceres' losses or gains or on its business strategy.

Opportunities

(2.4.1) Type of definition

Select all that apply

- ☒ Qualitative
- ☒ Quantitative

(2.4.2) Indicator used to define a substantive effect

Selected:

- ☒ Revenue

(2.4.3) Change in indicator

Selected:

- ☒ Percentage increase

(2.4.4) Percentage change in indicator

Selected:

- ☒ 11-20

(2.4.6) Dimensions considered when defining

Select all that apply

- ☒ Frequency of the effect
- ☒ Time horizon over which the effect occurs
- ☒ Likelihood of the effect occurring

(2.4.7) Application of the definition

In line with the disclosure framework based on the TCFD recommendations, Ceres defines short-, medium- and long-term time horizons and the frequency and high/medium/low degree of impact under a below-2°C scenario and a 4°C scenario. In terms of qualitative business impact:

In line with the disclosure framework based on the TCFD recommendations, Ceres defines short-, medium- and long-term time horizons and the frequency and high/medium/low degree of impact under a below-2°C scenario and a 4°C scenario. In terms of qualitative business impact, we define: High: "the impact on business and finances is expected to be large"

Medium: "the impact on business and finances is expected to be somewhat large"

Low: "the impact on business and finances is expected to be minor."

Among the substantive effects on business and finances, we define as "risks / opportunities" all possibilities of generating unexpected losses or gains, and we have established a management structure to preserve corporate value. Among these "risks / opportunities," we define as "risks / opportunities with a substantive effect" those that would cause an increase or decrease of 10% or more of net sales or 30% or more of net income — the thresholds of the timely disclosure system for listed companies on financial instruments exchanges — as well as those that the Board of Directors judges, for other reasons, to have a substantive effect on Ceres' losses or gains or on its business strategy.

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks that had a substantive effect on your organization in the reporting year, or that are considered likely to have a substantive effect in the future?

Climate change

(3.1.1) Identification of environmental risks

Selected:

☒ Yes, identified in both direct operations and the upstream/downstream value chain

Plastics

(3.1.1) Identification of environmental risks

Selected:

☒ No

(3.1.2) Primary reason why your organization has determined that there are no environmental risks in your direct operations or upstream/downstream value chain

Selected:

☒ Assessment under way

(3.1.3) Please explain

Ceres' dependency on plastics relates to the packaging and products of cosmetics and healthcare-related goods handled by the D2C Business Division. The impact on the value chain as a whole is considered to include greenhouse gas generation from fossil-derived products and the conversion of plastics into marine plastics and microplastics along production and disposal routes, and we recognize the need to appropriately manage, assess, mitigate and reduce these risks. Plastics are an important theme relating not only to climate action but also to biodiversity, and we assess this as a risk in which environment-related regulations and the like will need to be managed increasingly strictly going forward. Since we are at the stage of first mapping the plastics supply chain, identifying the risks, and then working on countermeasures, we judge the current status to be "assessment under way." As concrete mitigation and reduction actions, we will pursue de-

plasticization through the adoption of paper alternatives, biomass-derived and biodegradable plastics, and identification labeling for circular cycles, thereby lowering our dependency on plastics and mitigating environmental impact.

[Fixed row]

(3.1.1) Provide details of the environmental risks identified as having had a substantive effect on your organization in the reporting year, or as being expected to have a substantive effect in the future.

Climate change

(3.1.1.1) Risk identifier

Selected:

☒ Risk1

(3.1.1.3) Risk type and primary environmental risk driver

Policy

☒ Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Selected:

☒ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Japan

(3.1.1.9) Organization-specific description of the risk

Ceres' total GHG emissions for FY2024 were:

Scope 1 : 2 t-CO2

Scope 2: 43 t-CO2 (market-based)

Scope 3: 22,146 t-CO2. Scope 3 emissions therefore account for 99.8% of the total.

Of this, Scope 3 Category 1 accounts for 18,892 t-CO2 (85.1%) of the total.

The business activity corresponding to Scope 3 Category 1 is a business model in which cosmetics and healthcare-related goods are produced on an OEM basis and sold to general consumers through D2C. We recognize that the approach with the greatest impact on reducing Ceres' GHG emissions is to mitigate our dependency on, and impact from, Scope 3 Category 1.

With reference to the IPCC AR6 Special Report SSP2.6 (socioeconomic scenario), we will work on promoting [easy mitigation] and on enabling [easy adaptation] to a better way of life, adapting our business activities toward the realization of a 1.5°C scenario. We will also review production processes across the entire value chain and work toward realizing our climate transition plan (carbon neutrality in FY2050). Ceres has aligned its climate action targets with a target of limiting warming to below 1.5°C on a science-based (SBT) basis. As Scope 1 and 2 account for an extremely small share of Ceres' total emissions, at 0.2%, we will achieve carbon neutrality for Scope 1 and 2 by 2030. Primarily, we will switch from fuel to electricity, consume electricity under renewable energy plans, and procure non-fossil certificates, aiming for carbon neutrality in Scope 1 and 2 by 2030. For Scope 3, using 2024 as the base year, we will achieve a reduction of 4.2% per year (25.2% by 2030). We recognize that moving quickly away from calculation based on purchase amounts using input-output tables, promoting the collection of primary data from each supplier, and proactively engaging with the upstream value chain is both what is expected of us as leadership on climate action by a Prime Market-listed company and our social responsibility.

(3.1.1.11) Primary financial effect of the risk

Selected:

☒ Increased direct costs

(3.1.1.12) Time horizons over which this risk is considered likely to have a substantive effect on the organization

Select all that apply

Medium-term

Long-term

(3.1.1.13) Likelihood that this risk will have an effect within the anticipated time horizon

Selected:

☒ Likely

(3.1.1.14) Magnitude of the effect

Selected:

☒ Medium

(3.1.1.16) Possible effect of the risk on the organization's financial position, financial performance, and cash flows within the selected future time horizon

Based on the IEA NEZ transition scenario, carbon pricing is projected at USD 130 per t-CO₂ in FY2030 and USD 250 per t-CO₂ in FY2050, and we estimate that this will have a financial effect through a decrease in operating profit accompanying a rise in Ceres' overall sales or cost of sales. By assessing risk from the perspectives of avoidance, transfer, mitigation and acceptance, and by working on mitigation that lowers the impact and probability of occurrence, we believe we can secure medium- to long-term growth opportunities and avoid financial impact risk. As for the specific amount of the effect, on the same basis as the "explanation of the financial effect figure," we anticipate a decrease in sales opportunities accompanying cost increases, or a direct decrease in earnings, in proportion to the ratio of CO₂ emissions.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Selected:

☒ Yes

(3.1.1.21) Anticipated financial effect figure in the medium term — minimum (currency)

5303649

(3.1.1.22) Anticipated financial effect figure in the medium term — maximum (currency)

432724500

(3.1.1.23) Anticipated financial effect figure in the long term — minimum (currency)

432724500

(3.1.1.24) Anticipated financial effect figure in the long term — maximum (currency)

832162500

(3.1.1.25) Explanation of financial effect figure

Based on the IEA NEZ transition scenario, carbon pricing trends are

projected at USD 130 per t-CO₂ in FY2030 and USD 250 per t-CO₂ in FY2050.

Assuming an exchange rate of JPY 150 to the US dollar, the carbon pricing impact is:

Medium-term horizon, FY2030: 22,191 t-CO₂ × JPY 150 × 130 = JPY 432,724,500

Long-term horizon, FY2050: 22,191 t-CO₂ × JPY 150 × 250 = JPY 832,162,500, as upward cost pressure,

We estimate that this will have a financial effect on Ceres' overall earnings as upward cost pressure.

By assessing risk from the perspectives of avoidance, transfer, mitigation and acceptance, and by working on mitigation that lowers the impact and probability of occurrence, we believe we can secure medium- to long-term growth opportunities and avoid financial impact risk.

"As the carbon tax as of 2024 is JPY 239 per t-CO₂, if the current system continues, the minimum financial effect over the medium-term horizon is estimated at JPY 239 × 22,191 = JPY 5,303,649." The above is our estimate of the effect of reduced earnings due to upward cost pressure.

(3.1.1.26) Primary response to the risk

Type and details of engagement

☒ Collaboration with suppliers

(3.1.1.27) Cost of response to the risk

10638000

(3.1.1.28) Explanation of cost calculation

Strengthening engagement with the upstream and downstream value chain

2 persons × 150 hours (per month) = 3,600 hours per year

Total annual working hours: 239 days × 8 hours = 1,912 hours

Ceres average salary: 5,650,000

5,650,000 ÷ 1,912 hours = @2,955

3,600 hours × @2,955 = 10,638,000

(3.1.1.29) Details of the response

In order to achieve the "Ceres Environmental Policy / Environmental Targets," we will engage proactively with the upstream supply chain and work on reducing Scope 3 Category 1. To this end, we will conduct environmental impact assessment across the entire life cycle, encourage suppliers to understand and internalize the Ceres Environmental Policy / Targets and to comply with the Supplier Code of Conduct, and undertake engagement activities through supplier training and education so that both sides understand that climate action is both a risk and an opportunity that leads to value creation. In order to mitigate (minimize) risk, we plan to carry out life cycle assessment and supply chain management and to devote our own human resources to collaboration with suppliers, which we expect will mitigate medium- to

long-term financial impact and create value through stronger competitiveness. As concrete measures, we will promote renewable energy, decarbonized products, moving away from dependence on fossil-derived materials, and the construction of circular cycles — not only in direct operations but also in the upstream and downstream value chain — through our own proactive involvement, and we will assess and improve these regularly in line with our risk management process.

Climate change

(3.1.1.1) Risk identifier

Selected:

☒ Risk2

Climate change

(3.1.1.1) Risk identifier

Selected:

☒ Risk3

Climate change

(3.1.1.1) Risk identifier

Selected:

☒ Risk4

Climate change

(3.1.1.1) Risk identifier

Selected:

☒ Risk5

Climate change

(3.1.1.1) Risk identifier

Selected:

☒ Risk6

[Add row]

(3.1.2) Provide the amount and proportion of financial metrics vulnerable to the substantive effects of environmental risks in the reporting year.

Climate change

(3.1.2.1) Financial metric

Selected:

☒ Revenue

(3.1.2.2) Amount of the financial metric vulnerable to transition risk for this environmental issue (in the same currency selected in question 1.2)

4330480000

(3.1.2.3) Proportion of the total financial metric vulnerable to transition risk for this environmental issue (%)

Selected:

☒ 11-20%

(3.1.2.4) Amount of the financial metric vulnerable to physical risk for this environmental issue (in the same currency selected in question 1.2)

15453500000

(3.1.2.5) Proportion of the total financial metric vulnerable to physical risk for this environmental issue (%)

Selected:

☒ 51-60%

(3.1.2.7) Explanation of financial figures

Transition risks are risks arising in connection with the transition to a low-carbon society, and we assume these mainly correspond to carbon pricing, changes in customer behavior, and stakeholder concerns. Here, Risks 1, 2 and 3 fall into this category.

Risk 1: Carbon pricing

Medium term (2030): Assuming carbon pricing of USD 130 per t-CO₂, Scope 3 emissions (22,146 t-CO₂) would generate upward cost pressure of up to JPY 431.84 million. The minimum effect if the current system continues is estimated at JPY 5.29 million.

Long term (2050): Assuming carbon pricing of USD 250 per t-CO₂, we estimate upward cost pressure of up to JPY 830.48 million from Scope 3 emissions.

Risk 2: Changes in customer behavior

Medium and long term: Owing to rising environmental awareness among consumers, if Ceres' climate action is insufficient we assume a risk that net sales in D2C-related businesses would decline by 30% to 50%. Based on FY2024 net sales (JPY 7.0 billion), this represents a revenue decline risk of up to JPY 3.5 billion.

Risk 3: Concerns of partners and stakeholders Short term: Assuming an effect on the shareholding ratio of foreign investors (9.2%), we estimate a shareholder value reduction risk of JPY 3.28 billion, equivalent to 9.2% of market capitalization (JPY 35.7 billion).

Medium and long term: We assume that the company's evaluation from an ESG investment perspective would decline, affecting the proportion of investment that takes ESG factors into account (30%) in the medium term and the European-level ESG investment proportion (60%) in the long term. On this basis, we estimate that the shareholder value reduction risk relative to market capitalization would rise to a scale of up to JPY 21.42 billion.

Accordingly, we recognize "Risk 3: Concerns of partners and stakeholders" as the transition risk with the greatest future vulnerability in the reporting year. Of these, the maximum values affecting revenue correspond to Risks 1 and 2, with an anticipated loss of JPY 4,330.48 million, representing 4,330.48 million / 27,707.00 million = 15.6% of FY2024 net sales.

Physical risks are assumed to correspond to risks arising from physical damage caused by climate change itself (typhoons, floods, temperature variability, etc.). Here, Risks 4, 5 and 6 fall into this category.

Risk 4: Typhoons

Long term: We estimate revenue loss according to the duration of service suspension caused by interruption of the power supply. Based on FY2024 net sales (JPY 27.7 billion), a one-month suspension would result in approximately JPY 2.3 billion (8.3% of sales) and a six-month suspension in approximately JPY 13.85 billion (50% of sales) of lost revenue.

Risk 5: Fire caused by flooding or disaster

Long term: We estimate inventory valuation losses in the event that D2C business inventory is damaged by flooding. Based on the inventory valuation at the end of FY2024 (approximately JPY 1.85 billion), we assume losses of 5% to 80% depending on the extent of the damage, with an anticipated financial effect of up to approximately JPY 1.48 billion.

Risk 6: Temperature variability

Long term: We estimate the risk that plastic packaging materials for D2C products deform at high temperatures, impairing inventory value. If 5% of the inventory valuation (approximately JPY 1.85 billion) were damaged, the loss would be JPY 92.5 million. In addition, we anticipate approximately JPY 31 million in costs such as handling returns.

Accordingly, we anticipate a total financial effect of JPY 15,453.50 million if these physical risks occur simultaneously. As a proportion of FY2024 net sales, this is 15,453.50 million / 27,707.00 million = 55.8%.

[Add row]

(3.5) Are your organization's operations or activities regulated by a carbon pricing system (ETS, cap and trade, or carbon tax)?

Selected:

☒ No, but we anticipate being regulated within the next three years

(3.5.4) Provide details of your organization's strategy for complying with the systems by which you are regulated or expect to be regulated.

Ceres' strategy for systems by which it expects to be regulated

1. Strengthening GHG emissions data management: The direct effect of the EU-ETS and CBAM regulations is limited, but we understand that moves requiring GHG emissions reductions across the entire supply chain will strengthen going forward. In particular, where products are procured from overseas in the D2C business, and where Ceres' suppliers route goods through the EU, they may become subject to CBAM. If Ceres exports goods into the EU, Ceres may also be required to disclose emissions data. Strategy: Accurately calculate Scope 1, 2 and 3 emissions (particularly Scope 3 Category 1) and strengthen data collection from suppliers. Move from estimates based on input-output tables to calculation based on more precise primary data, and work together with suppliers on actions to reduce GHG emissions.

2. Understanding and disclosing CFP (carbon footprint): We understand that grasping the CFP of products handled in the D2C business is important in responding to rising environmental awareness among customers. Strategy: By conducting life cycle assessment (LCA) for each product in the D2C business and calculating its CFP, we can give concrete form to requests for GHG emissions reductions from suppliers and provide transparent disclosure to consumers.

3. Introduction of third-party verification: We understand that verification and disclosure in line with the ISO 14064-1 standard is important in order to increase the reliability of GHG emissions calculations. At the same time, as a company we must also advance our response to environmental due diligence and human rights due diligence regulations. Strategy: By introducing third-party verification for the calculation of Scope 1, 2 and 3 emissions and for CFP calculation, we will secure the reliability of disclosed information, gain the trust of investors, customers and other stakeholders, and identify points for improvement in emissions reduction through the verification process. Anticipating that disclosure requirements based on the SSBJ standards are expected to be made mandatory in stages, beginning with Prime Market-listed companies, we will move early to obtain third-party verification of GHG emissions and social data as part of disclosure that supports investor decision-making, and thereby prepare for compliance with international standards and for situations such as verification not being carried out due to a shortage of verification assessors.

4. Indirect response to carbon leakage: We understand that responding to border carbon mechanisms is important in the event that production sites are relocated from countries with emissions regulations to countries with looser regulations. Strategy: In the D2C business there is a possibility that suppliers may cause carbon leakage. By strengthening engagement with suppliers and setting common GHG emissions reduction targets, we will promote emissions reductions across the entire supply chain. This will mitigate the risk of a decline in suppliers' international competitiveness and maintain a stable supply structure.

(3.6) Have you identified any environmental opportunities that had a substantive effect on your organization in the reporting year, or that are expected to have a substantive effect in the future?

	Environmental opportunities identified
Climate change	<i>Selected:</i> ☒ Yes, we have identified opportunities, and some/all of them are being realized

[Fixed row]

(3.6.1) Provide details of the identified environmental opportunities that had a substantive effect on your organization in the reporting year, or that are expected to have a substantive effect in the future.

Climate change

(3.6.1.1) Opportunity identifier

Selected:

☒ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Reputational capital

☒ Improved evaluation by sustainability/ESG indices

(3.6.1.4) Value chain stage where the opportunity occurs

Selected:

☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Japan

(3.6.1.8) Organization-specific description

As shown in the IEA NZE (Net Zero Emissions) scenario, we expect that industrial structures and financial markets will undergo major transformation as the world moves toward carbon neutrality in 2050. In the transformation of industrial structures, our goal is to support consumers' sustainable activities and consumption behavior and thereby contribute to achieving the SDGs, by working on value creation that leverages Ceres' own Moppy through internet marketing. In response to the transformation of financial markets, our goal is to promote financial inclusion through blockchain technology and crypto assets.

We regard it as an opportunity that, by addressing environmental issues through our business activities and by providing appropriate disclosure based on the SSBJ standards and obtaining SBT certification (science-based target setting), Ceres' "social contribution" and "future orientation" will become clear, improving engagement with investors, attracting investment from ESG funds, and securing a stable source of funds.

(3.6.1.9) Primary financial effect of the opportunity

Selected:

☒ Increased access to capital

(3.6.1.10) Time horizons over which this opportunity is expected to have a substantive effect on the organization

Select all that apply

Short-term

Medium-term

Long-term

(3.6.1.11) Likelihood that this opportunity will have an effect within the anticipated time horizon

Selected:

☒ Likely (66-100%)

(3.6.1.12) Magnitude of the effect

Selected:

☒ High

(3.6.1.14) Expected effect of the opportunity on the organization's financial position, financial performance, and cash flows within the selected future time horizon

We assume that proactively addressing climate change is an opportunity expected to have a positive financial effect, raising market capitalization through ESG evaluation and leading to enhanced corporate value.

- Over the short-term horizon, by strengthening our climate action initiatives and providing disclosure in compliance with the SSBJ standards, we expect an improved evaluation from foreign investors (shareholding ratio of 9.2% as of December 2024) and the stabilization and appreciation of our share price.*
- Over the medium-term horizon, given that approximately 30% of global assets under management are currently invested with ESG factors taken into account, we expect that Ceres' proactive climate action will attract domestic and overseas ESG funds and institutional investors; once a certain level of market capitalization is reached, the investor base will expand and we expect the positive effect of an increase in shareholder value equivalent to 30% of market capitalization. In addition, low-interest financing through sustainability-linked loans will become possible, improving cash flow and enabling us to accelerate investment in business expansion, which we expect to be an opportunity leading to further growth.*
- Over the long-term horizon, just as the proportion of ESG investment in Europe has reached approximately 60%, we assume that in the long run ESG evaluation will become a key indicator determining a company's survival and growth. By anticipating this global trend and demonstrating leadership, Ceres aims to attract more ESG investment and to achieve an increase in shareholder value equivalent to 60% of market capitalization. We regard enhanced corporate value as an opportunity that also leads to the acquisition and retention of excellent talent and, through strengthened human capital, realizes innovative service development and sustained improvement in business competitiveness, creating a virtuous cycle of improved long-term profitability.*

Furthermore, enhanced corporate value has a major direct and indirect effect on improved access to capital.

[Direct]

As the share price rises, the company can raise more funds with the same number of shares issued. In a public offering or third-party allotment, conducting a capital increase when the share price is high results in a higher issue price per share, allowing more funds to be raised for the same degree of dilution. This makes it possible to efficiently allocate the funds needed for growth investment, repayment of borrowings, and the like.

[Indirect]

A rising share price is regarded as evidence that the market values the company highly, and it is advantageous for capital raising in various ways. A rising share price is taken as a sign that the market rates the company's future prospects and management stability highly, and strong creditworthiness leads to lower interest rates on bank loans and to expanded credit lines.

When a company issues corporate bonds to raise funds, strong creditworthiness makes it easier to attract investors and enables issuance at a lower yield (interest rate). This makes it possible to reduce the cost of raising funds.

A rising share price increases the value of share-based compensation and the employee shareholding association, which leads to the recruitment of excellent talent and the prevention of turnover, strengthening access to "capital" in the broad sense by enhancing the company's competitiveness. A rising share price is thus an important factor that not only increases direct fundraising opportunities but also improves access to all kinds of capital (funds, human capital, and so on) by enhancing the company's creditworthiness.

(3.6.1.15) Are you able to quantify the financial effect of the opportunity?

Selected:

☒ Yes

(3.6.1.17) Anticipated financial effect figure in the short term — minimum (currency)

0

(3.6.1.18) Anticipated financial effect figure in the short term — maximum (currency)

3280000000

(3.6.1.19) Anticipated financial effect figure in the medium term — minimum (currency)

3280000000

(3.6.1.20) Anticipated financial effect figure in the medium term — maximum (currency)

10710000000

(3.6.1.21) Anticipated financial effect figure in the long term — minimum (currency)

10710000000

(3.6.1.22) Anticipated financial effect figure in the long term — maximum (currency)

21420000000

(3.6.1.23) Explanation of financial effect figure

This is premised on the assumption that proactively addressing climate change is an opportunity that significantly improves the company's reputation and ESG evaluation and has a positive effect on the share price over the short, medium and long term.

• As a short-term effect, we estimate the maintenance and increase of shareholder value equivalent to the shareholding ratio of foreign investors (9.2%), achieved by strengthening disclosure and engagement with foreign investors (particularly ESG-oriented overseas investors).

Minimum: JPY 0

Maximum: market capitalization JPY 35.7 billion (December 2024) × 9.2% = JPY 3.28 billion

• As a medium-term effect, we estimate that by targeting the ESG investment market as a whole (approximately 30% of global assets under management), Ceres' investor base will expand and shareholder value will increase by up to 30%.

Minimum: market capitalization JPY 35.7 billion (December 2024) × 9.2% = JPY 3.28 billion

Maximum: market capitalization JPY 35.7 billion (December 2024) × 30% = JPY 10.71 billion

• As a long-term effect, assuming a scenario in which ESG investment becomes mainstream as it has in the European market, we estimate that there is an

opportunity for an increase in shareholder value equivalent to up to 60% of market capitalization.

Minimum: market capitalization JPY 35.7 billion (December 2024) × 30% = JPY 10.71 billion

Maximum: market capitalization JPY 35.7 billion (December 2024) × 60% = JPY 21.42 billion

(3.6.1.24) Cost to realize the opportunity

16000000

(3.6.1.25) Explanation of cost calculation

We will provide disclosure in compliance with the SSBJ standards and obtain third-party verification of the disclosed content, working to improve reliability.

Specifically, in coordination with the public relations / IR / sustainability promotion / CSR-related departments, we will undertake positive initiatives on climate action and natural capital through our business activities, and proactively engage in dialogue with and communication to stakeholders in conjunction with the publication of our sustainability report, integrated report, and annual securities report.

Costs for recruiting and developing sustainability specialists and undertaking this as part of our business activities.

Specialists: 1.5 persons × JPY 10 million = JPY 15 million

Third-party verification (Scope 1, 2 and 3) cost: JPY 1 million

(3.6.1.26) Strategy for realizing the opportunity

1. Strengthening engagement: We will proactively engage in dialogue with investors and NGOs and make efforts to gain their support for our stance and initiatives, while also providing awareness-raising education for employees and promoting this as a company-wide initiative.

2. Avoiding greenwashing: We will avoid superficial environmental claims (greenwashing) and demonstrate our sincere stance through highly reliable disclosure and concrete action.

Climate change

(3.6.1.4) Value chain stage where the opportunity occurs

Selected:

☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Japan

(3.6.1.10) Time horizons over which this opportunity is expected to have a substantive effect on the organization

Select all that apply

Short-term

Medium-term

Long-term

(3.6.1.11) Likelihood that this opportunity will have an effect within the anticipated time horizon

Selected:

☒ Virtually certain (99-100%)

(3.6.1.14) Expected effect of the opportunity on the organization's financial position, financial performance, and cash flows within the selected future time horizon

By actively using sustainability-linked loans (SLLs), Ceres will be able to raise funds on favorable terms, and the following financial impacts are expected.

• Short-term horizon

Financial position: By switching short-term borrowings and part of the long-term borrowings due within one year to SLLs, we will realize a reduction in debt costs through preferential interest rates. This will improve financial soundness and raise external evaluations.

Financial performance: A lighter interest burden compresses non-operating expenses and contributes directly to improved ordinary profit. In addition, an improved ESG score leads to expanded business opportunities through an enhanced corporate image, strengthening our long-term earnings base.

Cash flow: Reduced interest payments lead to improved operating cash flow. This creates room to generate funds for business expansion and new sustainability-related investment.

• Medium-term horizon

Financial position: Through the achievement of business-specific SPTs, such as raising the proportion of sales from environmentally conscious products in the D2C business, the preferential interest rates on SLLs will continue and expand. This will allow us to raise even large-scale funds, including long-term borrowings, on more favorable terms than conventional loans, further strengthening our financial base.

Financial performance: By allocating funds obtained through SLLs to investment in the decarbonization market using blockchain technology and to the development of environmentally conscious products in the D2C business, we will accelerate corporate growth. In this way we aim not merely at cost reduction but at improved profitability through business growth.

Cash flow: Stable, low-cost fundraising makes future cash flows easier to forecast and facilitates the formulation of strategic investment plans. We also assume that share price appreciation accompanying improved ESG evaluation will broaden our options for capital raising (equity finance).

• Long-term horizon

Financial position: If sustainability management takes root and SLLs become mainstream for all fundraising, debt costs will be maintained at a permanently low level. This will strengthen the company's competitiveness over the long term.

Financial performance: Through business development centered on sustainability, we will establish corporate brand strength in the points media / D2C / financial markets, leading to an expanded customer base and improved LTV (lifetime value). Through this we will achieve sustained revenue growth and profit generation.

Cash flow: From both reduced fundraising costs and increased earnings through business growth, cash flow will improve significantly, allowing us to undertake long-term technology development and business investment aimed at solving new social issues and to enhance Ceres' value to society.

(3.6.1.15) Are you able to quantify the financial effect of the opportunity?

Selected:

☒ Yes

(3.6.1.17) Anticipated financial effect figure in the short term – minimum (currency)

9515205

(3.6.1.18) Anticipated financial effect figure in the short term – maximum (currency)

28545615

(3.6.1.19) Anticipated financial effect figure in the medium term – minimum (currency)

59470031

(3.6.1.20) Anticipated financial effect figure in the medium term – maximum (currency)

178410094

(3.6.1.21) Anticipated financial effect figure in the long term – minimum (currency)

285456150

(3.6.1.22) Anticipated financial effect figure in the long term – maximum (currency)

856368450

(3.6.1.23) Explanation of financial effect figure

As of the end of FY2024, Ceres had:

As of the end of FY2024, Ceres' short-term borrowings were: 4,428,700,000

Long-term borrowings due within one year: 1,995,590,000

Long-term borrowings: 3,090,915,000

We estimate the interest reduction if the typical SLL interest rate incentive of 0.1% to 0.3% were applied to the total of these borrowings (9,515,205,000).

• Short-term horizon

Minimum: JPY 9,515,205

The reduction in interest burden if the minimum interest rate incentive of 0.1% is applied to total borrowings of JPY 9,515,205,000 at the end of FY2024.

Maximum: JPY 28,545,615

The reduction in interest burden if the typical SLL upper limit interest rate incentive of 0.3% is applied to total borrowings.

• Medium-term horizon (between 2026 and 2030)

Minimum: JPY 59,470,031 (five-year total)

Assuming that borrowings continue to increase as the business expands, and that total borrowings reach 1.25 times the level at the end of FY2024 (approximately JPY 11.89 billion), this is the reduction in interest burden if an interest rate incentive of 0.1% is applied.

*(9,515,205,000 * 1.25 * 0.1% * 5 years)*

Maximum: JPY 178,410,094 (five-year total)

Assuming that borrowings continue to increase as the business expands, and that total borrowings reach 1.25 times the level at the end of FY2024 (approximately JPY 11.89 billion), this is the reduction in interest burden if an interest rate incentive of 0.3% is applied.

*(9,515,205,000 * 1.25 * 0.3% * 5 years)*

• Long-term horizon (between 2031 and 2050)

Minimum: JPY 285,456,150 (20-year total)

Assuming that the use of SLLs becomes a standard means of corporate fundraising and that ESG evaluation permanently affects the share price. Borrowings increase to 1.5 times the level at the end of FY2024 (approximately JPY 14.27 billion), and this is the reduction in interest burden if an interest rate incentive of 0.1% is applied.

*(9,515,205,000 * 1.5 * 0.1% * 20 years)*

Maximum: JPY 856,368,450

A scenario in which sustainability management becomes the source of Ceres' competitiveness and corporate value improves dramatically. Sustainable finance becomes a powerful engine of business growth, the use of SLLs becomes a standard means of corporate fundraising, and ESG evaluation is assumed to permanently affect the share price. Assuming that, in line with business growth, borrowings increase to 1.5 times the level at the end of FY2024 (approximately JPY 14.27 billion), this is the reduction in interest burden if an interest rate incentive of 0.3% is applied.

*(9,515,205,000 * 1.5 * 0.3% * 20 years)*

The estimated financial effect takes into account not only the interest rate incentive effect of SLLs but also, comprehensively, the expanded business opportunities and enhanced corporate value brought about by sustainability management.

Interest rate incentive effect: The direct reduction in interest burden was calculated by multiplying total borrowings by the assumed interest rate incentive (0.1% to 0.3%).

Indirect earnings improvement effect: Improved ESG evaluation contributes to profit from multiple angles — not only an increase in shareholder value through share price appreciation, but also increased sales through business expansion, improved productivity through the acquisition of excellent talent, and stronger customer loyalty through enhanced brand value. Taking these combined effects into account in light of market trends over each time horizon and our business growth strategy, we assumed increases in borrowings of 1.25 times and 1.5 times and estimated the profit contribution across a minimum-to-maximum range of interest reduction rates. We position this opportunity as a strategic investment that, in addition to the direct financial benefit of reduced interest, enhances the competitiveness and profitability of the company as a whole over the long term.

(3.6.1.25) Explanation of cost calculation

Cost details

- Cost of disclosure through CDP: Enhanced Level: JPY 740,000
 - Cost of obtaining SBT certification (short- and long-term target setting): JPY 2,000,000
 - J-Credit cost: 43 t-CO₂ (market-based renewable electricity and heat) × @JPY 6,000 = JPY 258,000
- Total: JPY 2,998,000

(Explanation of opportunity cost calculation)

We will proactively address climate change and undertake the following three measures to create opportunities in response to changes in market behavior.

- 1. Appropriate disclosure on climate change We will strengthen disclosure in order to identify climate-related risks and opportunities and reflect their effects in financial information. Specifically, we will not only disclose in line with the TCFD (Task Force on Climate-related Financial Disclosures) recommendations, but also ensure consistency with the TNFD (Taskforce on Nature-related Financial Disclosures) recommendations; in addition to climate change, we will assess and identify dependencies on and impacts on natural capital, and disclose our oversight structure, effects on strategy, risk management, and targets and progress for both climate change and nature-related matters.*
- 2. Obtaining SBT certification We will set science-based greenhouse gas emissions reduction targets (SBT: Science Based Targets) and obtain SBT certification.*
- 3. Carbon offsetting For greenhouse gas emissions that are unavoidable in our own business activities, we will carry out activities to offset those emissions.*

Climate change

(3.6.1.4) Value chain stage where the opportunity occurs

Selected:

- ☒ Upstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Japan

(3.6.1.10) Time horizons over which this opportunity is expected to have a substantive effect on the organization

Select all that apply

Long-term

(3.6.1.11) Likelihood that this opportunity will have an effect within the anticipated time horizon

Selected:

☒ More likely than not (50-100%)

(3.6.1.14) Expected effect of the opportunity on the organization's financial position, financial performance, and cash flows within the selected future time horizon

1. Reduction in inventory valuation losses

By dispersing the warehouses and distribution centers operated by the D2C Business Division, the risk of inventory damage from physical risks such as flooding and typhoons is mitigated, which we assume to be an opportunity to avoid recording extraordinary losses.

2. Avoiding lost opportunities through a more resilient supply chain

Because the risk of supply chain disruption due to disasters is reduced, product supply is stable; while competitors face supply stoppages, this becomes an opportunity for us to expand market share, which we assume will lead to growth in net sales.

2. Financial performance

By avoiding business interruption and inventory damage from physical risks, stable supply becomes possible, which we assume to be an opportunity to raise customer satisfaction and lead to repeat purchases and improved brand loyalty.

4. Improved cost efficiency

Because the costs of emergency response and inventory disposal in the event of a disaster can be reduced, we assume this to be an opportunity leading to lower indirect operating costs (OPEX).

(3.6.1.15) Are you able to quantify the financial effect of the opportunity?

Selected:

☒ Yes

(3.6.1.21) Anticipated financial effect figure in the long term — minimum (currency)

(3.6.1.22) Anticipated financial effect figure in the long term — maximum (currency)

1607810000

(3.6.1.23) Explanation of financial effect figure

Improving the resilience of the logistics sites in our D2C business is an important opportunity to avoid future financial losses from physical risks. The estimate for Risk 5 (flooding) indicates that if the majority (80%) of inventory were damaged by flooding or an accompanying fire, a financial loss of up to approximately JPY 1.48 billion would occur. We regard dispersing our sites as an opportunity to substantially mitigate this inventory damage risk and avoid the loss. The estimate for Risk 6 (temperature variability) indicates that a loss of up to approximately JPY 123.5 million would occur due to quality deterioration of products caused by high temperatures (5% of inventory damaged, plus the cost of handling returns). By ensuring thorough temperature control across the entire supply chain, this becomes an opportunity to avoid losses from product deterioration and returns and to secure earnings. Taking into account the possibility of avoiding these losses, we assess that improving the resilience of the value chain is an extremely important opportunity with a financial effect on the scale of billions of yen over the long term.

Minimum: JPY 123.50 million + JPY 92.77 million = JPY 216.27 million

Maximum: JPY 123.50 million + JPY 1,484.31 million = JPY 1,607.81 million

(3.6.1.25) Explanation of cost calculation

Cost of strengthening engagement with suppliers: JPY 10,638,000 per year

*Additional cost of warehouse dispersion: JPY 30.09 million (FY2024 annual warehouse fees: JPY 300,992,510 * 10%)*

In total, we anticipate costs of JPY 40,728,000 per year.

(Explanation of opportunity cost calculation)

The main costs of realizing this opportunity are the personnel and operating costs associated with restructuring the supply chain and strengthening engagement.

- *Supplier engagement cost*

Supply chain management personnel costs (approximately JPY 3.546 million per year, the same as for Risk 5).

- *Additional cost of warehouse dispersion: JPY 30.09 million*

*We estimate the annual additional cost of securing a warehouse in a different region at approximately 10% of the FY2024 annual warehouse fees of JPY 300,992,510 (FY2024 annual warehouse fees of JPY 300,992,510 * 10%).*

- *Cost of strengthening engagement with suppliers*

JPY 10,638,000 per year

- *Additional cost of warehouse dispersion: JPY 30.09 million*

JPY 30.09 million

In total, we anticipate costs of JPY 40,728,000 per year.

We judge these costs to be highly cost-effective compared with the possibility of avoiding large-scale financial losses and lost sales opportunities in the event of a disaster, and we also regard them as an opportunity that contributes to substantial cost reductions through a review of current warehouse costs and optimization of the supply chain.

Climate change

(3.6.1.4) Value chain stage where the opportunity occurs

Selected:

☒ Upstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Japan

(3.6.1.10) Time horizons over which this opportunity is expected to have a substantive effect on the organization

Select all that apply

Medium-term

Long-term

(3.6.1.11) Likelihood that this opportunity will have an effect within the anticipated time horizon

Selected:

☒ Likely (66-100%)

(3.6.1.14) Expected effect of the opportunity on the organization's financial position, financial performance, and cash flows within the selected future time horizon

• Medium-term horizon

Assuming a carbon tax of USD 130 per t-CO₂ in 2030, reducing Scope 3 Category 1 within total supply chain emissions creates an opportunity to avoid a cost burden of up to JPY 368 million. By avoiding this cost, we can avoid the price increase risk faced by competitors and enhance the competitiveness and price advantage of our D2C business. In addition, with rising environmental awareness, consumers conscious of ethical consumption are expected to continue to increase. A December 2024 survey by the Consumer Affairs Agency found that practitioners of ethical consumption had reached 36.1%. By strengthening product development and branding targeting this segment, we will increase the proportion of ethical-consumption-related products in D2C business net sales, leading to an increase in overall net sales of 5% to 10% (JPY 500 million to JPY 1 billion).

From the two angles of avoiding cost increases due to carbon taxes and increasing sales, we regard this as an opportunity to curb future cash outflows while continuing to make further investment in business growth.

- Long-term horizon

Assuming a carbon tax of USD 250 per t-CO₂ in 2050, completing decarbonization of Scope 3 Category 1 within the total emissions of the D2C business supply chain creates an opportunity to avoid a cost burden of up to JPY 708 million. We assume that this sustained cost advantage will strengthen Ceres' financial base as a source of powerful long-term competitive advantage while competitors face price increases due to carbon taxes. Furthermore, as society as a whole moves toward the RCP2.6 climate change scenario, consumer environmental awareness will rise further and ethical consumption is expected to become mainstream in society. In a December 2024 survey by the Consumer Affairs Agency, the segment answering that they are "interested in ethical consumption" had already reached 59.1%, and we believe this latent demand will materialize in the future.

By capturing this market shift and establishing our position as a "sustainable brand," we gain an opportunity to expand the market share of our D2C business. We anticipate that this will increase D2C business net sales by 15% or more (JPY 1.5 billion or more) and contribute significantly to enhanced corporate value.

By fully managing the cost risk from carbon pricing, it becomes possible to generate predictable, stable cash flow, and we regard this as an opportunity to use that cash flow for investment in new businesses geared to a decarbonized society and to accelerate further growth.

(3.6.1.15) Are you able to quantify the financial effect of the opportunity?

Selected:

☒ Yes

(3.6.1.19) Anticipated financial effect figure in the medium term — minimum (currency)

8368394000

(3.6.1.20) Anticipated financial effect figure in the medium term — maximum (currency)

1368394000

(3.6.1.21) Anticipated financial effect figure in the long term — minimum (currency)

2358450000

(3.6.1.22) Anticipated financial effect figure in the long term — maximum (currency)

2908450000

(3.6.1.23) Explanation of financial effect figure

- Medium-term horizon (2026-2030)

Based on the IEA NZE (Net Zero Emissions) scenario, we assume carbon pricing in 2030 of USD 130 per t-CO₂ (JPY 19,500 at an exchange rate of JPY 150 to the US dollar). Taking Scope 3 Category 1 emissions (18,892 t-CO₂) as the basis, the cost reduction if all of these were avoided would be 18,892 t-CO₂ × JPY 19,500 = JPY 368,394,000 (approximately JPY 368 million). In addition, as the increase in sales from capturing the ethical consumption segment, taking into account the rate of practicing "ethical consumption" as of December 2024 (36.1%) and the segment interested in it (59.1%), and by establishing an advantage over competitors, we anticipate an increase in sales of JPY 500 million to JPY 1 billion, equivalent to 5% to 10% of D2C business net sales (assumed to be approximately JPY 10 billion). Based on the above, the financial effect over the medium-term horizon is estimated at a minimum of JPY 8,368,394,000 to a maximum of JPY 1,368,394,000.

• Long-term horizon (2031-2050)

Based on the IEA NZE (Net Zero Emissions) scenario, we assume carbon pricing in 2050 of USD 250 per t-CO₂ (JPY 37,500 at an exchange rate of JPY 150 to the US dollar). Taking Scope 3 Category 1 emissions (18,892 t-CO₂) as the basis, the cost reduction if all of these were avoided would be 18,892 t-CO₂ × JPY 37,500 = JPY 708,450,000 (approximately JPY 708 million). In addition, as the increase in sales from capturing the ethical consumption segment, assuming that ethical consumption becomes mainstream in society, we anticipate an increase in sales of JPY 1.65 billion to JPY 2.2 billion or more, equivalent to 15% to 20% or more of D2C business net sales (assumed to be approximately JPY 11 billion).

Based on the above, the financial effect over the long-term horizon is estimated at a minimum of JPY 2,358,450,000 to a maximum of JPY 2,908,450,000.

(3.6.1.25) Explanation of cost calculation

1. Supply chain management personnel costs: JPY 10,638,000 per year
 2. Packaging material research and development costs: JPY 5,000,000 per year
 3. Certification and environmental labeling costs: JPY 2,000,000 per year
 4. Marketing costs: JPY 10,000,000 per year
- Total: JPY 27,638,000

(Explanation of opportunity cost calculation)

We estimate the costs required to realize this opportunity at a total of JPY 27,638,000 per year, as set out below.

1. Supply chain management personnel costs: JPY 10,638,000 per year

In order to promote decarbonization across the entire supply chain, we have accounted for the personnel costs of staff with specialist knowledge. The time spent on collaboration with suppliers and on collecting and analyzing GHG emissions data (3,600 hours per year) was calculated based on our average salary (JPY 5,650,000).

2. Packaging material research and development costs: JPY 5,000,000 per year

Switching from plastic materials to renewable materials and biomass plastics requires research and development to verify material stability, durability and cost efficiency. This cost is estimated as the cost of testing and evaluating new materials.

3. Certification and environmental labeling costs: JPY 2,000,000 per year

These are the costs of obtaining third-party certifications such as CFP (carbon footprint) and FSC certification and labeling products accordingly, in order to demonstrate our GHG emissions reduction initiatives and that our products are environmentally conscious. This raises our credibility with customers.

4. Marketing costs: JPY 10,000,000 per year

These are the costs of marketing activities to improve our brand image with the aim of capturing the ethical consumption segment. We will proactively publicize our environmental initiatives and approach new customer segments through campaigns and communication via our own media.

We position these costs as strategic up-front investment to avoid the future cost burden of carbon pricing and to establish competitive advantage in the ethical consumption market. In particular, the personnel costs for promoting decarbonization across the entire supply chain are essential in order to avoid a future carbon tax cost burden of up to JPY 830 million. Research and development costs and certification costs also form the basis for enhancing product competitiveness and generating returns in the form of increased sales. We judge these costs to be highly cost-effective compared with the long-term financial benefits.

Climate change

(3.6.1.4) Value chain stage where the opportunity occurs

Selected:

☒ Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Japan

(3.6.1.10) Time horizons over which this opportunity is expected to have a substantive effect on the organization

Select all that apply

Long-term

(3.6.1.11) Likelihood that this opportunity will have an effect within the anticipated time horizon

Selected:

☒ More likely than not (50-100%)

(3.6.1.14) Expected effect of the opportunity on the organization's financial position, financial performance, and cash flows within the selected future time horizon

Long-term horizon (2031-2050)

1. Financial position

· Donation services in the points media business and contributions to new environmental markets in the financial business will establish new revenue sources distinct from existing services, boosting overall sales and contributing to enhanced corporate value.

· By expanding services that respond to the social need for climate action, our business portfolio will become more diverse and more stable.

2. Financial performance

· Increased sales from new services translate directly into improved profitability. In particular, markets that make use of blockchain technology can be expected to generate transaction fees in the crypto-asset sales business and revenue from digital environmental value assets, and can become high-margin businesses.

· We can bring in as new customers those segments with a strong interest in environmental contribution as well as companies participating in the carbon offset market. This will expand the customer base of our existing businesses and generate synergies.

3. Cash flow

· With the establishment of new revenue sources and improved profitability, cash flow from operating activities will increase steadily. · As our evaluation by ESG investors improves and opportunities to raise funds on favorable terms increase, including through the use of sustainable finance, we will be able to accelerate further business expansion and technology investment.

(3.6.1.15) Are you able to quantify the financial effect of the opportunity?

Selected:

☒ Yes

(3.6.1.21) Anticipated financial effect figure in the long term — minimum (currency)

102770000

(3.6.1.22) Anticipated financial effect figure in the long term — maximum (currency)

302770000

(3.6.1.23) Explanation of financial effect figure

Increased sales from existing services create opportunities mainly in the following two business areas.

1. Mobile Services business

As donations by users expand, revenue opportunities in the point exchange service increase. For example, if a mechanism were introduced under which 1% of the donation amount is received as a fee, our revenue would grow as donations increase. If donations equivalent to 1% of FY2024 net sales were collected, that would be JPY 27.7 billion $\times$ 1% = JPY 277 million; if a mechanism were introduced under which 1% of that is received as

a fee, revenue would be JPY 277 million $\times$ 1% = JPY 2,770,000.

2. Financial business

If trading in carbon offset crypto-asset issues using blockchain technology becomes active, fee revenue in proportion to trading volume can be expected. Assuming this market captures a 10% share of the domestic trading market as a whole, we estimate annual trading fee revenue of approximately JPY 100 million to JPY 300 million.

Minimum: JPY 102.77 million

Maximum: JPY 302.77 million

We assess that the above opportunities will act in combination and may lead to sales increases on the scale of billions of yen over the long term.

(3.6.1.25) Explanation of cost calculation

Annual cost = (system development and operating costs) + (personnel costs) + (marketing costs)

1. System development and operating costs: JPY 50 million to JPY 100 million

2. Personnel costs: 5 persons $\times$ JPY 5.65 million per person = JPY 28.25 million

3. Marketing costs: JPY 10 million

Total: 88,250,000

(Explanation of opportunity cost calculation)

The costs of realizing new value creation for climate action are mainly the development and operating costs of new services and the cost of human resources.

1. New service system development and operating costs: JPY 50 million to JPY 100 million per year

· Technical infrastructure to enable the tokenization and trading of carbon credits · Expanded functionality for carbon credit trading, tracking systems, and the donation service platform · Investment to maintain a high level of security as a financial service handling crypto assets ·

Running costs to maintain stable system operation

2. Personnel costs for the new service promotion team: JPY 28.25 million per year

• Personnel costs for a specialist team responsible for planning, developing, operating and marketing new services (assuming a team of five)

3. Marketing and promotion costs to publicize new services: JPY 10 million per year

• Costs of notifying users of the point-reward site "Moppy," promotional activities to acquire new customer segments, and public relations activities.

These costs are strategic up-front investment to create new market opportunities and secure long-term revenue sources. In particular, the introduction of blockchain technology is an important technological foundation that goes beyond climate action alone. The high transparency and reliability of this technology ensure product traceability and thereby also contribute to the protection of biodiversity. Furthermore, facilitating financial access revitalizes economic activity, and reducing poverty also helps prevent illicit overharvesting. In this way, blockchain technology plays an important role in protecting both climate and biodiversity. Operating blockchain entails a certain cost, but the highly reliable and transparent services it enables are a clear differentiator from competitors. As a result, we are confident that this is an opportunity that will greatly enhance Ceres' corporate value and generate substantial returns.

[Add row]

(3.6.2) Provide the amount and proportion of financial metrics aligned with the substantive effects of environmental opportunities in the reporting year.

Climate change

(3.6.2.1) Financial metric

Selected:

☒ Other, please specify: [Shareholder value] This is the portion that ultimately belongs to shareholders after deducting repayment obligations such as debt and accounts payable (liabilities) from all of the company's property (assets).

(3.6.2.2) Amount of the financial metric aligned with opportunities for this environmental issue (in the same currency selected in 1.2)

21420000000

(3.6.2.3) Proportion of the total financial metric aligned with opportunities for this environmental issue (%)

Selected:

☒ 71-80%

(3.6.2.4) Explanation of financial figures

In the reporting year, the item assumed to bring the greatest future financial effect is "Opportunity 1: Improved evaluation by ESG indices." We assume that proactive climate action raises our ESG evaluation and, as a result, leads to an increase in shareholder value.

As a long-term effect, we assume a scenario in which ESG investment becomes mainstream in Japan as it has in the European market. Against market capitalization of JPY 35.7 billion as of December 2024, and based on the fact that ESG investment currently accounts for approximately 60% in Europe, we assume a maximum long-term effect proportion of 60%.

From this estimate, we assess that there is an opportunity for an increase in shareholder value of $\text{JPY } 35.7 \text{ billion} \times 60\% = \text{JPY } 21,420,000,000$.

At Ceres, we regard climate action not as a mere cost but as a strategic opportunity to enhance corporate value over the long term. By demonstrating leadership as a "sustainable internet company" and addressing environmental issues such as climate change, biodiversity conservation and marine plastics, as well as social issues such as poverty and gender equality, through our business activities, we believe we can create economic value and achieve improved ESG evaluation and

enhanced long-term corporate value. Against FY2024 net sales of JPY 27,707 million, we estimate that the JPY 21,420 million opportunity represents a proportion of 77.3%.

[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Selected:

☒ Yes

(4.1.2) Frequency with which the board or equivalent body meets

Selected:

☒ At least quarterly

(4.1.3) Types of members (directors) constituting the board or equivalent body

Select all that apply

☒ Executive directors or equivalent

☒ Non-executive directors or equivalent

☒ Independent outside directors or equivalent

(4.1.4) Board diversity and inclusion policy

Selected:

☒ Yes, we have a publicly available policy.

(4.1.5) Briefly describe the scope of this policy.

Our Board of Directors recognizes issues relating to sustainability as a whole, including climate change, as important management matters, and treats diversity and inclusion as a key policy in order to fully exercise its oversight function.

The Board of Directors is composed with consideration for gender, professional experience, and expertise, and deepens discussion of climate change risks and opportunities from diverse perspectives. This diverse composition provides the foundation for the governance mechanism on climate change to function appropriately and for the creation of business opportunities and risk management to be achieved together. Specifically, the Board of Directors supervises and advises on climate

change-related issues identified by the Sustainability Promotion Committee and drives the response across management as a whole. The Board of Directors also seeks to further strengthen its oversight function by appointing internal and external personnel with expertise in climate change. We consider this policy to be essential to sustainable enhancement of corporate value.

(4.1.6) Attach the policy (optional)

[Ceres] Corporate Governance Report.pdf

[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

Climate change

(4.1.1.1) Board-level oversight of this environmental issue

Selected:

☒ Yes

Biodiversity

(4.1.1.1) Board-level oversight of this environmental issue

Selected:

☒ No, but we plan to do so within the next two years

(4.1.1.2) Primary reason for not having board-level oversight of this environmental issue

Selected:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to the size of the organization)

(4.1.1.3) Explain why your organization does not have board-level oversight of this environmental issue.

Regarding board-level oversight of biodiversity, no board-level oversight structure for biodiversity has been established at present. The main reason is that internal resources for assessing impacts on biodiversity are not yet in place, and the structure for the Board of Directors to exercise oversight is not yet ready. However, we recognize that there are significant dependencies, impacts, risks and opportunities relating to biodiversity in the packaging materials of products involving timber and plastics. In order to build a structure in which the Board of Directors can oversee this issue, we are currently making preparations through the following steps.

Step 1. Understanding the current situation and setting targets

We are working to understand the current situation with respect to activities considered to have an impact on biodiversity, and have set 2030 and 2050 targets as the "Ceres Environmental Policy / Environmental Targets." The specific initiatives are as follows.

1. Nature positive

- We will implement the LEAP approach in line with the TNFD recommendations at least once a year.
- We will promote responsible raw material procurement (green purchasing).
- As a measure against water resource depletion, we will work to understand and reduce water intake, discharge, and consumption.

2. Pollution and waste management

- We will promote the reuse of waste, including the reuse of office appliances.
- We will advance reductions in packaging waste through a shift to certified forest materials and biomass plastics.
- We will manage hazardous substances and waste through the optimization of products and packaging materials.

Step 2. Initiatives across the entire value chain

Ensuring traceability in the supply chain beyond Tier 2 is difficult from the perspective of current resources and transparency. We will therefore first give priority to adopting FSC-certified forest materials, biomass plastics, and biodegradable plastics. In this way we will connect CoC (chain of custody) links and effectively advance an approach that minimizes nature-related impacts from Tier 1 through to the suppliers beyond.

Through these activities, referring to international frameworks such as the TNFD LEAP approach, we will develop the internal structure for the Board of Directors to exercise oversight and cultivate personnel with expertise, and once the structure is in place we plan to begin board-level oversight within approximately two years.

In addition, we are undertaking the following activities as biodiversity initiatives.

1. Laws and policies

Ceres has joined the TNFD (Taskforce on Nature-related Financial Disclosures) Forum as a member, declaring its participation in international discussions and disclosure frameworks concerning biodiversity conservation. This constitutes action to proactively advance the development of international "laws and policies" relating to biodiversity and compliance with voluntary standards. We plan to implement the LEAP approach in line with the TNFD recommendations, and by integrating biodiversity impact assessment into our business strategy we will prepare for future laws and regulations and build a more robust corporate governance structure.

2. Livelihood support, economic and other incentives

Ceres provides economic incentives that contribute to biodiversity conservation through its business.

· Moppy SDGs

Through the point-reward site "Moppy," we enable users to donate to environmental organizations, indirectly supporting the provision of funds to

NGOs/NPOs working on biodiversity conservation.

· Use of blockchain technology

We believe that blockchain technology enables information on biodiversity conservation and use to be recorded transparently and securely and ensures traceability, making it possible to build mechanisms that help curb illicit trading and overharvesting. We expect this to activate new economic incentives that trade the value of biodiversity as digital assets.

☒ *Education and awareness-raising activities*

Ceres promotes education and awareness-raising activities to deepen understanding of biodiversity among internal and external stakeholders and to encourage behavioral change. By participating in the TNFD Forum and proactively communicating our own biodiversity conservation initiatives, we will raise awareness among employees, customers, investors and others, and play a role in increasing interest across society as a whole.

[Fixed row]

(4.1.2) Identify the position(s) of the board member(s) (do not include individual names) or committee accountable for environmental issues, and provide details of how the board oversees environmental issues.

Climate change

(4.1.2.1) Position of the individual or committee accountable for this environmental issue

Select all that apply

☒ Chief Executive Officer (CEO)

☒ Chief Financial Officer (CFO)

(4.1.2.2) The accountability of each position for this environmental issue is set out in a policy that applies to the board

Selected:

☒ Yes

(4.1.2.3) Policies that set out the accountability of this position for this environmental issue

Select all that apply

☒ Board of Directors Regulations

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Selected:

- ☑ Scheduled agenda item at some board meetings — at least once a year

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- ☑ Overseeing the setting of corporate targets
- ☑ Reviewing and guiding annual budgets
- ☑ Overseeing and guiding scenario analysis
- ☑ Overseeing and guiding business strategy development
- ☑ Monitoring implementation of business strategy
- ☑ Overseeing and guiding policy engagement
- ☑ Overseeing and guiding acquisitions/mergers/divestitures
- ☑ Monitoring progress toward corporate targets
- ☑ Reviewing and guiding the process for assessing dependencies, impacts, risks, and opportunities
- ☑ Monitoring compliance with company-wide policies and commitments
- ☑ Overseeing and guiding the development of a climate transition plan
- ☑ Overseeing disclosure, audit, and verification processes
- ☑ Approving company-wide policies and commitments
- ☑ Monitoring implementation of the climate transition plan
- ☑ Overseeing and guiding major capital expenditure

(4.1.2.7) Please explain

Ceres' governance structure for climate change is built as an oversight and execution structure with the Board of Directors at the top, establishing a mechanism in which responsibility is borne at both the highest executive level and the supervisory level. The purpose of this structure is to achieve both sustained enhancement of corporate value and appropriate management of climate change risks and opportunities.

Supervisory level: Board of Directors

The Board of Directors positions sustainability issues, including climate change, as the most important management matters and bears oversight responsibility for them. Based on the function set out in Article 3 of our "Board of Directors Regulations" — "to decide on basic matters concerning the execution of business operations and to supervise such execution" — the Board oversees the following matters relating to climate change.

1. Approval and oversight of company-wide policies and targets

The Board approves company-wide climate change-related commitments and target setting, such as the "Ceres Environmental Policy / Environmental Targets" and the "climate transition plan," and regularly monitors progress. This corresponds to "formulation and revision of the medium-term management plan" and "formulation and revision of the systems for ensuring that the execution of directors' duties conforms to laws and regulations and the articles of incorporation, and other matters necessary to ensure the propriety of the company's operations" under Article 8, paragraph 4 of the "Board of Directors Regulations."

Because climate action is deeply connected to the company's long-term growth, it is positioned as part of the management plan, and the Board plays the role of putting in place structures to ensure that the company does not violate domestic or international laws and regulations relating to

climate change.

2. Review of risks and opportunities

The Board receives reports on climate change-related risks and opportunities identified and assessed by the Risk Management Committee and the Sustainability Promotion Group, and reviews and approves the countermeasures. In this way it continuously manages the effects of climate change on business strategy and finances.

3. Oversight of scenario analysis

The Board oversees, and provides necessary advice on, whether climate-related risks and opportunities are being analyzed based on the four pillars of governance / risk management / strategy / metrics and targets in line with the TCFD recommendations, and whether methods for assessing the effects of climate change — such as the LEAP approach in line with the TNFD recommendations and IPCC scenario analysis (RCP2.6, RCP8.5) — are being appropriately implemented. The Board reviews climate change-related agenda items at least once a year, or as necessary at its monthly meetings, and monitors progress through reports from the Sustainability Committee.

4. Executive level

The Sustainability Committee, chaired by the President and Representative Director, is the core organization bearing execution responsibility for climate change initiatives. The Sustainability Committee works in coordination with the Risk Management Committee and leads the process of assessing dependencies, impacts, risks and opportunities arising from climate change.

5. Planning and execution

Based on approval by the Board of Directors, the Sustainability Committee formulates and executes concrete plans for climate action. These include initiatives toward achieving GHG emissions reduction targets, climate change adaptation measures, and implementation relating to nature and social capital.

6. Reporting and coordination The Sustainability Committee regularly reports its activities to the Board of Directors and seeks necessary instructions. It also integrates climate change risks into the company-wide risk management process through coordination with the Risk Management Committee. Ceres' governance mechanism for climate change clearly defines the division of roles and coordination whereby the Board of Directors fulfills its oversight responsibility while specialist committees such as the Sustainability Committee and the Risk Management Committee handle execution.

[Fixed row]

(4.2) Does your board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Selected:

☒ Yes

(4.2.2) Mechanisms by which the board maintains competency on environmental issues

Select all that apply

- ☒ We regularly seek advice from a standing working group of internal experts.
- ☒ We regularly engage with stakeholders and experts outside the organization on environmental issues.
- ☒ We provide regular training for directors on environmental issues, industry best practice, and standards (TCFD, SBTi, etc.).
- ☒ At least one board member has specialist knowledge of this environmental issue.

(4.2.3) Environmental expertise and experience of board members

Experience

- ☒ Executive-level experience in a role focused on environmental issues
- ☒ Management-level experience in a role focused on environmental issues

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	<i>Selected:</i> ☒ Yes
Biodiversity	<i>Selected:</i> ☒ Yes

[Fixed row]

(4.3.1) Identify the highest management-level position or committee with responsibility for environmental issues (do not include individual names).

Climate change

(4.3.1.1) Position/committee of the individual with responsibility

Executive level

- ☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks, and opportunities

- ☑ Assessing environmental dependencies, impacts, risks, and opportunities
- ☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☑ Managing environmental dependencies, impacts, risks, and opportunities

Type and details of engagement

- ☑ Managing policy engagement on environmental issues
- ☑ Managing supplier compliance with environmental requirements
- ☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- ☑ Monitoring compliance with company-wide environmental policies and/or commitments
- ☑ Measuring progress toward company-wide environmental targets
- ☑ Measuring progress toward environment-related science-based targets
- ☑ Developing company-wide environmental policies and/or commitments
- ☑ Setting company-wide environmental targets

Strategy and financial planning

- | | |
|--|--|
| ☑ Developing a climate transition plan | ☑ Managing annual budgets related to environmental issues |
| ☑ Implementing the climate transition plan | ☑ Managing environment-related disclosure, audit, and verification |
| processes | |
| ☑ Conducting environment-related scenario analysis | ☑ Managing acquisitions, mergers, and divestitures related to |
| environmental issues | |

- ☒ Developing business strategy that takes environmental issues into account ☒ Managing major capital expenditure and/or OPEX related to environmental issues
- ☒ Implementing business strategy related to environmental issues

(4.3.1.4) Reporting line

Selected:

- ☒ Reports directly to the board

(4.3.1.5) Frequency of reporting to the board on environmental issues

Selected:

- ☒ Annually

(4.3.1.6) Please explain

<Scope of responsibility and reporting line>

As the highest management-level position with responsibility for climate change, the President and Representative Director fulfills the following roles.

- *As chair of the Sustainability Committee, oversees the planning and execution of climate change initiatives.*
- *Reports directly to, and is supervised by, the Board of Directors. Reporting takes place at least once a year.*

Based on the recognition that climate change is the most important management priority, this structure establishes a clear governance framework in which strategy is formulated and executed top-down and the Board of Directors supervises it.

<Management procedures for assessing and managing environmental dependencies, impacts, risks, and opportunities>

The President and Representative Director assesses and manages environmental issues through the following procedures.

1. Identification and assessment of risks and opportunities

- *Led by the Sustainability Promotion Group, the financial impact, frequency of occurrence, and likelihood of climate change are assessed.*
- *Assessment is carried out both qualitatively and quantitatively, using international methods such as the TCFD recommendations, IPCC scenarios, and materiality.*

• *Both physical and transition risks are identified across the full scope of direct operations and the upstream and downstream value chain.*

2. Reporting to the Management Meeting and the Risk Management Committee

- *The material risks and opportunities identified by the Sustainability Promotion Group are shared with the Risk Management Committee.*
- *The Sustainability Committee, chaired by the President and Representative Director, works in coordination with the Risk Management Committee and plans and implements countermeasures for risks and opportunities at the Management Meeting.*

3. Reporting to and approval by the Board of Directors

- The identified risks and opportunities and the specific countermeasures for them are reported directly to the Board of Directors by the President and Representative Director.
- The Board of Directors reviews and approves the content and oversees and guides the formulation and implementation of company-wide policies and commitments, the climate transition plan, and business strategy.

This entire process is integrated into the existing company-wide risk management process. This creates a mechanism whereby climate change risk is not isolated as a single environmental issue but is assessed and managed on a cross-functional basis as part of overall business risk. In addition, the Sustainability Committee reports regularly to the Board of Directors on the status of environmental initiatives, running a PDCA cycle and pursuing continual improvement.

Ceres also positions climate action as the most important management priority and is preparing a remuneration design, as set out below, that links director-level monetary incentives to the degree of achievement of environmental targets.

1. Performance measurement period

For short-term incentives (bonuses), the measurement period is planned to be performance in the relevant fiscal year, and for medium- to long-term incentives (restricted stock compensation), performance over the three-year medium-term management plan period. This will create a mechanism that evaluates both short-term behavioral change and long-term strategic initiatives.

2. Quantitative details of incentives and performance indicators

The proportion of climate change-related indicators within total monetary incentives is planned to be set at approximately 10% or more of the total.

This 10% is planned to vary according to the degree of achievement of the following performance indicators.

- Degree of achievement of GHG emissions reduction targets

We will evaluate progress toward the 100% reduction in Scope 1+2 emissions and the 25.2% reduction in Scope 3 emissions by 2030 set out in the "Ceres Environmental Targets." For Scope 3 emissions reductions, progress in collecting primary data from major suppliers will also be subject to evaluation.

- Progress of the climate transition plan

We will evaluate the formulation of a "climate transition plan" in line with the TCFD recommendations and the status of its implementation. This includes the implementation status of specific measures such as switching electricity to renewable energy and using sustainability-linked loans.

- Improvement in external evaluations

We will set targets for improving scores in external evaluations such as CDP and EcoVadis and evaluate the degree of achievement.

3. Context by region, sector, and business activity

Ceres' business consists mainly of internet marketing businesses in Japan (the Mobile Services business) and the Financial Services business. Incentive evaluation is fundamentally based on the degree of achievement of company-wide targets, but for areas with a particularly high environmental burden in specific business activities, such as the D2C business, we are considering linking individual targets – such as GHG emissions reductions and raising the proportion of sales from environmentally conscious products – to the incentives of the business division heads.

We assume that introducing incentives for management will clearly convey the message across the organization that "achieving environmental targets is important," raise environmental awareness at the level of each business division and each employee, and drive the implementation of the policies and targets we have formulated across the organization as a whole.

By linking management remuneration to both enhanced corporate value and the achievement of sustainability targets, Ceres will make this function as an important governance mechanism through which climate action becomes a source of competitiveness and accelerates our growth as a "sustainable internet company."

Biodiversity

(4.3.1.1) Position/committee of the individual with responsibility

Committee

- ☒ Sustainability Committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks, and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities

Type and details of engagement

- ☒ Managing supplier compliance with environmental requirements

Policies, commitments, and targets

- ☒ Monitoring compliance with company-wide environmental policies and/or commitments
- ☒ Developing company-wide environmental policies and/or commitments
- ☒ Setting company-wide environmental targets

(4.3.1.4) Reporting line

Selected:

- ☒ Reports directly to the board

(4.3.1.5) Frequency of reporting to the board on environmental issues

Selected:

- ☒ When a significant issue arises

(4.3.1.6) Please explain

<Scope of responsibility and reporting line>

The Sustainability Committee recognizes biodiversity as an important management issue on a par with climate change, and is the core organization bearing execution responsibility for these initiatives. Chaired by the President and Representative Director, it fulfills the following roles.

- Formulating and implementing company-wide policies and targets

Oversees the concrete formulation of the "Ceres Environmental Policy" and "Ceres Environmental Targets" relating to biodiversity, and the implementation of the LEAP approach in line with the TNFD (Taskforce on Nature-related Financial Disclosures) recommendations.

- Identifying and assessing risks and opportunities Assesses the dependencies, impacts, risks and opportunities that business activities have on biodiversity, and analyzes the effects on management.

- Managing supplier engagement Leads supplier compliance management and collaboration in order to promote biodiversity conservation across the entire value chain.

- Reporting to the Board of Directors When a significant issue relating to biodiversity arises, the President and Representative Director, as chair, reports directly to the Board of Directors.

This structure demonstrates that addressing biodiversity is recognized not merely as an issue for the environmental department but as an important issue for management as a whole, driven top-down.

<Management procedures>

The Sustainability Committee assesses and manages biodiversity issues through the following procedures.

1. Understanding the current situation and assessing impacts

We conduct detailed investigations of impacts on biodiversity with respect to packaging materials such as timber and plastics in the D2C business, and the natural capital on which our business activities depend. In this process we refer to international methods such as the LEAP approach of the TNFD recommendations and carry out quantitative and qualitative assessment.

2. Target setting and plan formulation

Based on the assessment results, we set specific "Ceres Environmental Targets," such as switching packaging materials to certified forest materials and promoting green purchasing, and review them regularly. We also formulate action plans to promote responsible raw material procurement and resource circulation.

3. Reporting to and oversight by the Board of Directors

The targets and plans formulated are reported to, and approved by, the Board of Directors. The Board oversees the progress of these initiatives and provides advice or instructions as necessary.

4. Continual improvement

Through regular monitoring and evaluation, the Sustainability Committee verifies the effectiveness of the initiatives and pursues continual improvement.

[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the achievement of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Selected:

☒ No, but we plan to introduce them within the next two years.

(4.5.3) Please explain

We position climate change as the most important management priority, and in order to accelerate its management we plan to introduce monetary incentives into the director-level remuneration system.

1. Overview and proportion of the incentive

We plan for climate change-related indicators to account for approximately 10% of total director-level monetary incentives. This proportion indicates that climate action is at the core of our management strategy and reflects Ceres' management stance of valuing the balance between financial and non-financial targets.

2. Remuneration determination process and types

Remuneration for our directors (excluding directors who are Audit and Supervisory Committee members and outside directors) consists of three types: basic remuneration (fixed remuneration), short-term incentive remuneration (bonuses), and medium- to long-term incentive remuneration (restricted stock compensation). To ensure objectivity and transparency, the Nomination and Remuneration Advisory Committee, a majority of whose members are outside directors, reviews and formulates the draft proposal for director remuneration and reports it to the Board of Directors. Through this process we plan to evaluate the degree of achievement of climate change-related targets fairly and rigorously and to reflect it in the following remuneration.

- Monetary remuneration: The degree of achievement of climate change-related targets is reflected in monthly remuneration and bonuses.*
- Share-based remuneration: The degree of achievement is reflected in restricted stock compensation, encouraging contributions to medium- to long-term enhancement of corporate value.*

Delegated by the Board of Directors, the President and Representative Director makes the final determination of the individual amounts of basic remuneration and bonuses following review and formulation by the Nomination and Remuneration Advisory Committee. For share-based remuneration as well, individual amounts and the number of shares granted are determined by the Board of Directors following review by the same committee. We will introduce this process for climate change-related incentives as well, building a structure in which decisions are made in coordination with the Remuneration Advisory Committee under the final judgment of the President and Representative Director.

3. Linking remuneration and targets Climate change-related monetary incentives will be linked to the following indicators, with increased amounts awarded when targets are achieved.

- GHG emissions reduction targets*
- Improvement in sustainability-related evaluations*
- Climate change-related initiatives*

- Value creation toward decarbonization
- Promotion of decarbonization across the entire supply chain

These indicators will be applied according to the status of achievement of the climate action items in the "Ceres Environmental Policy / Environmental Targets," encouraging management to address climate change from a long-term perspective and to achieve both sustainable enhancement of corporate value and contribution to society.

[Fixed row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have an environmental policy?
	Selected: ☒ Yes

[Fixed row]

(4.6.1) Provide details of your organization's environmental policy.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

☒ Climate change

(4.6.1.2) Level of coverage

Selected:

☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☒ Direct operations

☒ Upstream value chain

☒ Downstream value chain

(4.6.1.4) Describe the scope of coverage

In order to capture comprehensively the effects of our business activities on the global environment, the Ceres Environmental Policy covers not only direct operations but the entire value chain from upstream to downstream. The reason for setting this scope is that the majority of our GHG emissions originate in Scope 3, and we recognize that collaboration across the entire supply chain is essential in order to maximize our contribution to climate action.

In particular, we aim to reduce environmental impact across the entire life cycle of products in the D2C business — from raw material procurement and production through logistics, use and disposal — and we also manage impacts on the natural capital on which our business indirectly depends, seeking to achieve both nature and rich lives for people. We do not intentionally exclude any particular geographical region or business activity from the scope of the policy.

<Content of the Ceres Environmental Policy>

The "Ceres Environmental Policy" aims to realize a sustainable society based on the following key commitments.

1. Commitment to net-zero emissions

We have set a "net-zero target" of reducing all Scope 1, 2 and 3 GHG emissions to net zero by 2050. Toward achieving this target, we have declared our commitment to the SBTi (Science Based Targets initiative).

2. Commitment to 100% renewable energy

We have set a target of converting 100% of the electricity used in our business activities to renewable energy by 2030, and we are advancing this commitment through participation in RE Action – Declaring 100% Renewable Energy.

3. Commitment to compliance with environmental regulations and mandatory standards

We not only comply with relevant laws and regulations, international declarations and treaties, but also proactively address matters agreed with stakeholders.

4. Commitment to taking environment-related measures that go beyond regulatory compliance

Beyond corporate social responsibility, we anticipate future issues and expectations and formulate and implement voluntary codes of conduct.

5. Commitment to implementing nature-based solutions that support the long-term conservation of natural ecosystems

We integrate consideration of biodiversity into our business activities and plan to implement the LEAP approach in line with the TNFD recommendations.

6. Commitment to a strategy for a circular economy

Based on a life cycle assessment perspective, we promote resource circulation through measures such as switching packaging materials to certified forest materials and biomass plastics.

7. Commitment to stakeholder engagement and capacity building on environmental issues

Through collaboration with suppliers, training for employees, and the provision of information to customers, we encourage improved environmental awareness and behavioral change.

8. Recognition of environmental linkages and trade-offs

We recognize the interrelationships among environmental issues such as climate change, biodiversity, water and resource circulation, and pursue solutions from a comprehensive perspective.

9. Time-bound environment-related milestones and targets

We advance our initiatives by setting specific deadlines and figures, such as the 2050 net-zero target and the 2030 short-term targets.

<Alignment of the Ceres Environmental Policy with global treaties and policy goals>

1. Paris Agreement

Our 2050 net-zero target and our 2030 1.5°C target aligned with the SBTi are consistent with the Paris Agreement's goal of "holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit it to 1.5°C."

2. Kunming-Montreal Global Biodiversity Framework

Our participation in the TNFD and our initiatives aimed at nature positive outcomes are aligned with the goal of the "Kunming-Montreal Global Biodiversity Framework" of halting and reversing biodiversity loss by 2030.

(4.6.1.5) Content of the environmental policy

Environmental commitments

- ☑ Commitment to a strategy for a circular economy
- ☑ Commitment to compliance with regulations and mandatory standards
- ☑ Commitment to taking environment-related measures that go beyond regulatory compliance
- ☑ Commitment to implementing nature-based solutions that support landscape restoration and the long-term conservation of natural ecosystems

7. Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

- ☑ Commitment to 100% renewable energy

1. Commitment to net-zero emissions

Social commitments

- ☑ Commitment to promoting gender equality and women's empowerment

Additional references/details

- | | |
|---|---|
| ☑ Details of dependencies on natural resources and ecosystems | ☑ Reference to time-bound environment-related milestones and targets |
| ☑ Details of environment-related requirements for procurement | ☑ Details of grievance/whistleblowing mechanisms for monitoring non-compliance with the environmental policy and for raising/addressing/reporting other greenwashing concerns |

- ☒ Details of impacts on natural resources and ecosystems
- ☒ Recognition of environmental linkages and trade-offs
- ☒ Details of procurement practices for renewable electricity

(4.6.1.6) State whether your organization's environmental policy is aligned with global environment-related treaties or policy goals.

Select all that apply

- ☒ Yes, aligned with the Paris Agreement.
- ☒ Yes, aligned with the Kunming-Montreal Global Biodiversity Framework.

(4.6.1.7) Publicly available

Selected:

- ☒ Publicly available

(4.6.1.8) Attach the policy.

20250605_Ceres_"Environmental Policy and Environmental Targets"_.pdf
 [Add row]

(4.10) Is your organization a signatory or member of any environment-related collaborative frameworks or initiatives?

(4.10.1) Is your organization a signatory or member of any environment-related collaborative frameworks or initiatives?

Selected:

- ☒ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

- ☒ United Nations Global Compact
- ☒ Taskforce on Nature-related Financial Disclosures (TNFD)

- ☑ Japan Climate Initiative (JCI)
- ☑ Japan Climate Leaders' Partnership (JCLP)
- ☑ Task Force on Climate-related Financial Disclosures (TCFD)
- ☑ Science Based Targets initiative (SBTi)

(4.10.3) Describe your organization's role in each framework or initiative.

Ceres actively participates in a range of international frameworks and initiatives addressing environmental issues such as climate change and biodiversity, and uses these networks in pursuit of decarbonization and a sustainable society.

1. Japan Climate Initiative (JCI)

Ceres joined the JCI on June 5, 2025, "Environment Day." The JCI is a network for strengthening information dissemination and the exchange of views among diverse non-governmental actors such as companies, local governments and NGOs/NPOs, under the declaration "Join the front line of the global push for decarbonization from Japan." Ceres endorses the JCI declaration and believes it is important to promote energy efficiency and the expansion of renewable energy. Through participation in the JCI, we will use our network with the other 830 organizations (as of May 15, 2025) to accelerate our decarbonization initiatives.

2. Japan Climate Leaders' Partnership (JCLP) and RE Action – Declaring 100% Renewable Energy

Since FY2021 we have been a member of the JCLP and "RE Action — Declaring 100% Renewable Energy," and have offset 100% of the CO2 emissions associated with electricity use in our group businesses. By participating in these initiatives, Ceres began acting on decarbonization at an early stage.

3. Science Based Targets initiative (SBTi)

Ceres has declared its commitment to the "Science Based Targets initiative (SBTi)" toward realizing the 1.5° C target, including the entire supply chain (Scope 3). We will contribute to the global goals of halving global greenhouse gas emissions by 2030 and reaching net zero by 2050.

4. Task Force on Climate-related Financial Disclosures (TCFD)

We are working on disclosure in line with the TCFD recommendations, identifying climate-related risks and opportunities and clarifying their relevance to our business strategy. We explain to stakeholders, with a high degree of transparency, the effects of climate change on management and Ceres' strategy.

5. Taskforce on Nature-related Financial Disclosures (TNFD)

On May 22, 2025, the "International Day for Biological Diversity," Ceres joined the TNFD Forum, which supports the discussions of the Taskforce on Nature-related Financial Disclosures. This was based on the recognition that biodiversity loss has a major effect on the socio-economy. Through participation in the TNFD Forum, Ceres aims to contribute to the protection and mainstreaming of biodiversity. As our post-participation vision, we have set out the use of blockchain technology. This technology records information on the conservation and use of biodiversity transparently and securely and ensures traceability, thereby making it possible to curb illicit trading and overharvesting. We aim to contribute to a market that trades the value of biodiversity as digital assets, to create new value that shifts the flow of funds in a more nature-friendly direction, and to contribute through our business.

6. United Nations Global Compact (UNGC)

On July 25, 2025, Ceres signed and endorsed the UNGC. The UNGC is the world's largest sustainability initiative, in which the United Nations and the private sector join hands to build a sound global society. Companies and organizations participating in this framework are required to endorse the Ten Principles concerning

"human rights," "labour," "the environment" and "anti-corruption" set out by the UNGC, and to continue making efforts toward their realization. Ceres endorses the UNGC declaration and will demonstrate strong leadership in pursuit of achieving the SDGs and "realizing an affluent future."
[Fixed row]

(4.11) During the reporting year, did your organization conduct any activities that could either directly or indirectly influence policy, law, or regulation that may affect the environment (positively or negatively)?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may affect the environment

Select all that apply

☒ Yes, our organization engages indirectly through trade associations or intermediary organizations whose activities may influence policy, law, or regulation, and/or by providing funding or in-kind support to such bodies.

(4.11.2) State whether your organization has a publicly available commitment or position statement that its engagement activities are aligned with global environment-related treaties or policy goals.

Selected:

☒ Yes, we have a publicly available commitment or position statement aligned with global environment-related treaties or policy goals

(4.11.3) Global environment-related treaties or policy goals with which the public commitment or position statement is aligned

Select all that apply

☒ Paris Agreement

(4.11.4) Attach the commitment or position statement.

20250605_Ceres_"Environmental Policy and Environmental Targets"_.pdf

(4.11.5) State whether your organization is listed on a transparency register.

Selected:

☒ Yes

(4.11.6) Type of transparency register on which your organization is listed

Select all that apply

☒ Non-governmental transparency register

(4.11.7) Disclose the transparency registers on which your organization is listed and your organization's ID number on each register.

United Nations Global Compact ID: 190179 • Global Compact Network Japan ID: 0765a

(4.11.8) Describe the processes your organization has in place to ensure that external engagement activities are consistent with your environmental commitments and/or transition plan.

Ceres ensures consistency through the following processes so that its external engagement activities do not conflict with its environmental commitments or climate transition plan.

1. Clarification of commitments

In the "Ceres Environmental Policy" and the "Ceres Environmental Targets," we clearly set out alignment with global environment-related treaties such as the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework. This establishes clear guidance that forms the basis of all engagement activities.

2. Cross-functional coordination

In coordination with public relations, IR, the Sustainability Promotion Group and the risk management department, and under the Sustainability Committee, we formulate and publish our policy on policy advocacy and engagement activities through trade associations, together with the information we disclose. In this way we manage the activities of each business division so that they do not deviate from our company-wide environmental commitments.

3. Regular monitoring and review

We regularly monitor the activities of each trade association we belong to (JCLP, JCI, etc.) and check that they are not inconsistent with our environmental commitments or climate transition plan. If any lack of consistency is found, it is reported to the Sustainability Committee and corrective measures are promptly taken via the Management Meeting.

4. Proactive advocacy and collaboration

In each trade association we participate in, we proactively state our position on climate action and the protection of natural capital, and endeavor to have a positive influence on the policy and regulation development process.

Through these processes, Ceres manages its external engagement activities so that they are advanced in a consistent manner, taking into account its own environmental dependencies, impacts, risks and opportunities.

[Fixed row]

(4.11.2) Provide details of your organization's indirect engagement during the reporting year, through trade associations or other intermediary bodies/individuals, on policy, law, or regulation that may affect the environment (positively or negatively).

Row 1

(4.11.2.1) Type of indirect engagement

Selected:

☒ Indirect engagement through a trade association

(4.11.2.4) Trade association

Asia Pacific

☒ Other Asia Pacific trade association, please specify:

- Japan Investor Relations Association – annual membership fee JPY 100,000

We are a member for the purpose of promoting and developing IR activities that enhance corporate value through dialogue with investors.

- Japan Blockchain Association (JBA) – annual membership fee JPY 360,000

We are a regular member in order to contribute to the development and diffusion of blockchain technology.

- Japan Online Factoring Association – annual membership fee JPY 240,000

Laboru Inc., a Ceres subsidiary, is a regular member in order to contribute to the sound development of the factoring industry.

(4.11.2.5) Environmental issues related to the policy, law, or regulation on which the organization or individual takes a position

Select all that apply

☒ Climate change

(4.11.2.6) State whether your organization's position is consistent with that of the organization or individual with which you engage.

Selected:

☒ Consistent

(4.11.2.7) State whether your organization attempted to influence the position of the organization or individual during the reporting year.

Selected:

☒ Yes, we publicly endorse the trade association's current position

(4.11.2.8) Describe how your organization's position is consistent with, or differs from, that of the organization or individual, and what action you took to influence their position.

Ceres assesses that the positions of the trade associations in which it participates are consistent with the "Ceres Environmental Policy" and our climate transition plan. We share a common understanding with each association in the fundamental view of recognizing the effects of our business activities on the global environment and promoting proactive action toward realizing a decarbonized society.

1. Japan Climate Leaders' Partnership (JCLP) and Japan Climate Initiative (JCI)

These bodies encourage proactive action by industry toward realizing a decarbonized society, which fully matches Ceres' 2050 net-zero target and our commitment to 100% renewable energy. Ceres publicly endorses their activities and, through the exchange of information and views with member companies, contributes indirectly to discussions of policy and regulation that advance decarbonization.

2. Japan Investor Relations Association

This body aims to enhance corporate value through dialogue with investors, which is consistent with Ceres' initiatives such as strengthening disclosure based on the TCFD recommendations and providing highly transparent information on climate change risks and opportunities. Through the association's activities we learn best practice in sustainability disclosure and aim to earn the long-term trust of investors.

3. Japan Blockchain Association (JBA)

The JBA aims for the sound development and diffusion of blockchain technology, which matches Ceres' core strategy of "creating a token economy (an alternative-currency economic sphere)." (Blockchain technology has the potential to contribute to transparent trading of carbon credits and to the creation of environmental value.)

In this way, Ceres recognizes that the activities of each trade association are consistent with its own position on environmental issues, and by belonging to these bodies we endorse action toward common goals and cooperate in shaping policy and regulation.

(4.11.2.9) Amount of funding your organization provided to this organization or individual during the reporting year (currency)

(4.11.2.10) Describe the purpose of this funding and how it may influence policy, law, or regulation that may affect the environment.

The funds Ceres provided to each trade association are mainly annual membership fees and supporting membership fees. The purpose of these funds may influence policy and regulation that can affect the environment in the following ways.

1. Contribution to industry-wide policy advocacy

Each association aggregates the views of its member companies and makes policy recommendations to the government and regulators that contribute to the development of the industry. Ceres' funding supports these advocacy activities and may contribute indirectly to positive policy formation in areas such as climate action, the use of blockchain technology, and appropriate disclosure.

2. Securing a forum for information sharing and networking

Through the activities of trade associations, Ceres gains opportunities to interact with policymakers and other companies. This allows us to share our environmental initiatives and technical knowledge, influence the awareness of policymakers and industry peers, and potentially encourage more proactive environmental policy.

The purpose of this funding is not merely the pursuit of corporate profit but also to contribute to the sound development of the industry as a whole and to the realization of policy and regulation consistent with our environmental commitments.

(4.11.2.11) State whether you have assessed whether your organization's engagement is aligned with global environment-related treaties or policy goals.

Selected:

☒ Yes, we have assessed it. It is aligned

(4.11.2.12) Global environmental treaties or policy goals with which your organization's engagement activities on policy, law, and regulation are aligned

Select all that apply

☒ Paris Agreement

☒ Other global environment-related treaty or policy goal, please specify.

: Ceres' business is aligned with several of the SDGs.

SDG 1: No Poverty

SDG 8: Decent Work and Economic Growth

SDG 13: Climate Action

SDG 14: Life Below Water

SDG 15: Life on Land

[Add row]

(4.12) During the reporting year, did you publish information about your organization's response to environmental issues other than in your CDP response?

Selected:

☒ Yes

(4.12.1) Provide details of information about your organization's response to environmental issues during the reporting year, other than in your CDP response. Attach the relevant documents.

Row 1

(4.12.1.1) Publication

Selected:

☒ In a mainstream report, aligned with environmental disclosure standards or frameworks

(4.12.1.2) Standards or frameworks with which the report is aligned

Select all that apply

☒ TCFD

(4.12.1.3) Environmental issues covered in the document

Select all that apply

☒ Climate change

(4.12.1.4) Status

Selected:

☒ Complete

(4.12.1.5) Content

Select all that apply

Governance

☒ Dependencies and impacts

☒ Risks and opportunities

☒ Strategy

☒ Emissions targets

(4.12.1.6) Page/section

The content is described and published on the following pages.

- *Pages 12-26*

Under "Part 2: Business Overview," we describe climate change-related dependencies and impacts / risks and opportunities. In addition, under "Approach and Initiatives on Sustainability" and "Business and Other Risks," we explain our business strategy on climate change, environmentally conscious initiatives, contributions to the SDGs, and emissions targets.

- *Pages 36-42, 50-51*

Under "Status of Corporate Governance, etc." and "Officer Remuneration, etc.," we explain governance mechanisms relating to ESG, including climate change, such as the composition and roles of the Board of Directors, the sustainability promotion structure, and the officer remuneration policy.

- *Page 105*

Under "Significant Accounting Policies," we explain the valuation method for inventories, which we relate to the assessment of financial effects of environment-related risks and opportunities in our CDP response.

- *Page 109*

Under "Tax Effect Accounting," we explain the difference between the statutory effective tax rate and the actual tax burden ratio. We recognize that if transition risks such as carbon pricing have a financial effect, this will affect this item in the future.

(4.12.1.7) Attach the relevant document.

Annual Securities Report.pdf

(4.12.1.8) Comments

This Annual Securities Report discloses in detail Ceres' financial position, business results, and governance structure, but the climate change-related information remains indirect and qualitative.

As regards the status of disclosure based on the TCFD recommendations, we assess that information such as the quantitative financial effect of climate-specific risks and opportunities, specific emissions reduction targets, engagement across the value chain, and progress against metrics is currently limited within this Annual Securities Report.

This Annual Securities Report is an essential document for understanding Ceres' management foundation and an overview of its business activities, but for non-financial information such as climate change-related metrics and targets, readers need to refer also to the separately issued sustainability report and our CDP response. This Annual Securities Report plays the role of qualitatively supplementing parts of the TCFD recommendations on "risk management," "governance" and "strategy."

Anticipating the mandatory SSBJ (S1/S2) disclosure requirements for Prime Market-listed companies, Ceres intends to continue pursuing more detailed disclosure on climate change and improvement in the concrete progress of its climate transition plan. We will further strengthen our non-financial disclosure structure so as to convey our sustainability initiatives more clearly to investors and other stakeholders.

Row 2

(4.12.1.1) Publication

Selected:

☒ In a voluntarily issued sustainability report

(4.12.1.3) Environmental issues covered in the document

Select all that apply

☒ Climate change

(4.12.1.4) Status

Selected:

☒ Complete

(4.12.1.5) Content

Select all that apply

☒ Content of the environmental policy

Governance

☒ Dependencies and impacts

☒ Risks and opportunities

- ☑ Emissions figures

(4.12.1.6) Page/section

The content is described and published on the following pages of the sustainability report.

1. *Content of the environmental policy*

Pages 1-3 describe Ceres' sustainability policy and the seven materialities and the background to their selection

2. *Governance*

Pages 27-33 describe the corporate governance mechanisms

3. *Dependencies and impacts / risks and opportunities*

Page 8 describes dependencies and impacts / risks and opportunities based on the RCP2.6 and RCP8.5 scenarios

☑ *Emissions figures*

Emissions figures — page 35 gives the Scope 1, 2 and 3 emissions figures

(4.12.1.7) Attach the relevant document.

sustainability_ceres_2024.pdf

(4.12.1.8) Comments

Through the publication of the sustainability report, we analyze the situation, issues, actions and results, and aim for further improvement.

1. *Situation*

Ceres recognizes climate change as an important management issue and integrates sustainability into its business strategy. However, our main businesses — internet marketing and fintech — have a smaller direct environmental burden than, for example, manufacturing, while being in the distinctive situation that GHG emissions across the entire supply chain (Scope 3) account for 99.8% of the total. In addition, the information disclosed in the Annual Securities Report is limited mainly to financial information and the governance structure, rather than specific climate change targets or progress. For this reason, transparency regarding our climate change initiatives and disclosure that meets the expectations of investors and stakeholders had become an issue.

2. *Issues*

To identify climate-related risks and opportunities and to advance compliance with the TCFD recommendations more deeply and concretely.

• *Reducing Scope 3 emissions*

To set specific reduction targets for Scope 3 emissions and promote decarbonization across the entire value chain.

• *Strengthening disclosure*

To disclose our commitment to climate action and our progress comprehensively and transparently to investors, customers and other stakeholders, not only in the Annual Securities Report but also through other media.

3. *Actions*

• *Formulation of the environmental policy and targets*

On June 5, 2025, we established the "Ceres Environmental Policy" and set out the 2050 net-zero target and the 2030 short-term targets (100% reduction in Scope 1+2, 25.2% reduction in Scope 3).

- *Participation in initiatives*

We joined the Japan Climate Initiative and the Taskforce on Nature-related Financial Disclosures, broadening the scope of our initiatives.

- *Development of the governance structure*

We established the Sustainability Promotion Committee, chaired by the President and Representative Director, and built a structure for identifying, assessing and managing climate change-related risks and opportunities.

4. Results

- *Formulation of the climate transition plan*

We were able to formulate a climate transition plan with the long-term vision of a 2050 net-zero target and specific short-term targets derived from it. This has increased the alignment between our business activities and climate action and established a clear roadmap toward sustainable growth.

- *Improved quality of disclosure*

We have put in place a structure for proactively disclosing, through our sustainability website and press releases, non-financial information that the Annual Securities Report cannot fully cover. This has improved transparency and created opportunities leading to better evaluation by ESG investors and greater trust from customers and employees.

- *Creation of new business opportunities*

This provided the impetus for setting out a concrete strategy that turns climate action into a new business opportunity, such as creating digital environmental value assets using blockchain technology. This has made it possible to pursue both positive environmental contribution and economic value, going beyond mere risk avoidance.

In summary, this sustainability report sets out the environmental policy, climate transition plan, metrics and targets, and non-financial information that form the basis of these initiatives, and serves as a starting point for more detailed disclosure going forward.

[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environment-related outcomes?

Climate change

(5.1.1) Use of scenario analysis

Selected:

☒ Yes

(5.1.2) Frequency of analysis

Selected:

☒ Annually

[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenario

☒ IEA NZE 2050

(5.1.1.3) Approach to the scenario

Selected:

☒ Both qualitative and quantitative

(5.1.1.4) Scope of the scenario

Selected:

☒ Organization-wide

(5.1.1.5) Types of risk considered in the scenario

Select all that apply

☒ Policy

☒ Market risks

☒ Reputational risks

☒ Technology risks

☒ Liability risks

☒ Acute physical risks

Chronic physical risks

(5.1.1.6) Temperature alignment of the scenario

Selected:

☒ 1.5°C or below

(5.1.1.7) Base year

2024

(5.1.1.8) Time horizons covered

Select all that apply

☒ 2025

☒ 2030

☒ 2050

(5.1.1.9) Driving forces in the scenario

Interactions, dependencies, and impacts of regional ecosystem assets

☒ Climate change (one of the five drivers of nature change)

Finance and insurance

☑ Cost of capital

Stakeholder and customer demands

☑ Consumer concern about impacts

Regulators, legal and political regimes

☑ Global regulation

☑ Global goals

☑ Science-based target methods and expectations regarding science-based targets

Direct interactions with climate

☑ On asset values, on companies

(5.1.1.10) Assumptions, uncertainties, and constraints of the scenario

We recognize the IEA NZE 2050 scenario as an ambitious pathway to achieving energy-related net zero by 2050, and Ceres regards it as the scenario the whole world should aim for. The assumptions, uncertainties and constraints specific to Ceres' business activities with respect to this transition risk are as follows.

<Assumptions>

1. Rapid strengthening of policy and regulation

Environmental regulation such as SBTi, carbon taxes and emissions trading systems is substantially strengthened in major countries including Japan. In addition, international frameworks on plastics regulation, water resource management and forest protection are strengthened.

2. Rapid technological progress

Renewable energy, carbon offsetting and blockchain technology spread rapidly and costs decline. At the same time, the development of alternative materials to fossil fuels, water treatment technology and sustainable agricultural technology also advances.

3. Mainstreaming of consumer environmental awareness

Ethical consumption becomes mainstream in the market, and proactively addressing biodiversity and resource management in addition to climate action becomes an essential condition of competitive advantage.

4. Greening of financial markets

Sustainable finance and ESG investment expand, and opportunities to raise funds at low interest rates increase.

In addition, with the spread of the TNFD, disclosure of nature-related risks also becomes an essential element of investment decisions.

<Uncertainties and constraints>

1. Technical constraints

With current technology, collecting primary data from each supplier places an enormous burden on resources, so reducing Scope 3 Category 1 (D2C) emissions at Ceres and selecting suppliers with regard to natural capital may be difficult.

2. Uncertainty of supplier engagement

If suppliers are unable to respond sufficiently to the Ceres environmental targets, there is a risk that decarbonization across the entire value chain and the mitigation of impacts on natural capital will not proceed as planned.

3. Volatility in financial markets
Sustainability-linked loan terms may vary due to interest rates, exchange rates, reduced market liquidity and the like.

4. Lack of nature-related data

If the collection of nature-related data, such as water and plastic usage, is insufficient, accurate analysis becomes difficult.

5. Limited physical risk

Because the temperature rise is held to around 1.5° C, the effects of physical risks such as typhoons and floods remain relatively small in scale.

However, localized water shortages and ecosystem changes may still occur.

(5.1.1.11) Rationale for scenario selection

We selected the IEA NZE 2050 scenario because it is the most important scenario for assessing the resilience of our long-term business strategy and because it is aligned with the "1.5°C target" Ceres has declared. It will also serve as the basis for integrated assessment of impacts on the natural capital on which our business activities depend.

1. Alignment with business strategy

The "2050 net zero" and "100% renewable energy" commitments set out in the "Ceres Environmental Policy / Environmental Targets" fully match the decarbonization pathway indicated by the IEA NZE 2050 scenario.

Our strategy of creating a carbon credit market through the "token economy" reflects the formation of new market mechanisms assumed by the IEA NZE scenario, and aligns with the opportunity to incorporate elements of forest protection and biodiversity conservation into this token economy. In addition, Opportunities 1 and 2 – establishing our brand image as a sustainable internet company and attracting ESG investment – are directly linked to the transformation of financial markets.

2. Resilience assessment

By analyzing the IEA NZE 2050 scenario, we strengthen the robustness of our business model against transition risks such as carbon pricing, changes in customer behavior, and stakeholder expectations. This allows us to verify the effectiveness of specific strategies for turning risks into opportunities (strengthening Scope 3 engagement, developing environmentally conscious products).

From a TNFD perspective as well, we analyze how business opportunities will expand under this scenario, in which the health of the water resources and biodiversity on which Ceres' business depends is secured.

Source: Based on the scenario set out in the IEA (International Energy Agency) report "Net Zero by 2050."

Climate change

(5.1.1.5) Types of risk considered in the scenario

Select all that apply

- | | |
|--|--|
| ☒ Policy | ☒ Acute physical risks |
| ☒ Market risks | Chronic physical risks |
| ☒ Reputational risks | |
| ☒ Technology risks | |
| ☒ Liability risks | |

(5.1.1.8) Time horizons covered

Select all that apply

- ☒ 2025
- ☒ 2030
- ☒ 2050

(5.1.1.9) Driving forces in the scenario

Interactions, dependencies, and impacts of regional ecosystem assets

- ☒ Climate change (one of the five drivers of nature change)

Finance and insurance

- ☒ Cost of capital

Stakeholder and customer demands

- ☒ Consumer concern about impacts

Regulators, legal and political regimes

- ☒ Global regulation
- ☒ Global goals
- ☒ Science-based target methods and expectations regarding science-based targets

Direct interactions with climate

☒ On asset values, on companies

(5.1.1.11) Rationale for scenario selection

We selected this scenario in order to assess the vulnerability of our business to physical risks such as disasters caused by climate change, in conjunction with the Ceres business continuity plan (BCP, currently being formulated).

1. Alignment with business strategy

This scenario is essential for analyzing responses to the physical risks (flooding, temperature variability) that the D2C Business Division may face. By assuming the worst case, we were able to compare and verify the necessity and effectiveness of measures such as strengthening supply chain resilience, distributing servers, and formulating a BCP. In particular, we judge that a more robust BCP can be formulated by taking into account the effects of natural disasters on suppliers' operations.

2. Resilience assessment

Through this scenario we were able to quantitatively forecast and assess how our business activities would be physically affected by climate change and the scale of the resulting financial losses, and to verify the validity of our countermeasures (cost calculations). We judge it to be an important scenario for preparing for the worst case and for explaining the robustness of Ceres' risk management structure to investors and customers.

Source: Based on the SSP5-8.5 scenario set out in the IPCC Sixth Assessment Report (AR6).

[Add row]

(5.1.2) Provide details of the results of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by the reported scenario analysis results

Select all that apply

- ☒ Identification, assessment, and management of risks and opportunities
- ☒ Strategy and financial planning
- ☒ Resilience of the business model and strategy
- ☒ Capacity building
- ☒ Target setting and transition planning

(5.1.2.2) Scope of the analysis

Selected:

☒ Organization-wide

(5.1.2.3) Briefly describe the results of your scenario analysis and their implications for other environmental issues.

The scenario analysis we conducted provided important insights for deeply understanding the effects of climate change on our business (transition risks and physical risks) and for formulating the strategy and financial plans to respond to them. As an element essential to strengthening the resilience of our business model, these results have influenced the following business processes.

<Identification, assessment, and management of risks and opportunities>

1. Insight

Through analysis of the IEA NZE 2050 scenario (1.5°C-aligned), we quantitatively identified that the introduction of carbon pricing, rising customer environmental awareness, and the expansion of ESG investment can become concrete financial opportunities for us (access to SLLs, improved ESG index evaluation). For example, we estimated the avoided carbon pricing-related cost from reducing Scope 3 emissions at up to JPY 430 million in 2030 and up to JPY 830 million in 2050, confirming that this leads to cost reduction opportunities. The RCP8.5 scenario analysis also identified that physical risks in the D2C business (flooding, temperature variability) could cause financial losses of up to JPY 1.48 billion through inventory damage and supply chain disruption, allowing us to reaffirm the importance of managing them.

2. Effect

The identified risks and opportunities form the basis of the assessment process in the Risk Management Committee and the Sustainability Committee, and we strengthened the management structure through their coordination. In particular, quantitative understanding of financial effect amounts and assessment of frequency and likelihood over time horizons have made prioritization and resource allocation more strategic.

<Strategy and financial planning>

1. Insight

The 1.5°C-aligned scenario clearly showed that the transition to a decarbonized society can become a new driving force for our business growth. In particular, we confirmed that creating a carbon credit market using blockchain technology and developing environmentally conscious D2C products are opportunities that can become new revenue sources. For example, we anticipate increased sales from capturing the ethical consumption segment in the D2C business of JPY 500 million to JPY 1 billion in the medium term and JPY 1.65 billion to over JPY 2.2 billion in the long term, which led us to judge that this will contribute significantly to business growth.

2. Effect

In the "Medium-Term Management Plan 2026," this strengthened the direction of placing sustainability at the core of our business strategy and prompted the decision to accelerate investment in climate action. In financial planning, the use of sustainability-linked loans (cost reduction through preferential interest rates) and the need for 100% renewable energy toward decarbonization were concretely incorporated.

<Resilience of the business model and strategy>

1. Insight

Through scenario analysis we assessed the robustness of our business model under different future conditions. Under the IEA NZE 2050 scenario,

we confirmed that proactive environmental measures establish competitive advantage and lead to sustained enhancement of corporate value through capturing the ethical consumption segment and improving ESG evaluation. Under the RCP8.5 scenario, we recognized that the vulnerability of the supply chain to physical risks becomes apparent and may have a serious effect on business continuity.

2. Effect

Based on these insights, measures to strengthen resilience against physical risks – such as geographical dispersion of warehouses in the D2C business and joint BCP formulation with suppliers – took concrete form, which allowed us to clarify the direction of a strategy aimed at stable business continuity under any climate change scenario. Increased access to capital through improved ESG evaluation and the use of sustainability-linked loans also help secure funding to strengthen financial resilience.

<Capacity building>

1. Insight

Through the process of conducting the scenario analysis, gaps in internal expertise on climate change and nature-related risks and opportunities became clear – in particular, issues with our capability to collect detailed data across the entire value chain and a shortage of supply chain management resources.

2. Effect

Led by the Sustainability Promotion Group, we decided to strengthen the development of personnel with expertise in climate change and nature-related matters, and to strengthen engagement activities that encourage suppliers to understand and internalize the Ceres Environmental Policy and to cooperate in collecting Scope 3 primary data, aiming to raise our company-wide capacity to address environmental issues.

<Target setting and transition planning>

1. Insight

This confirmed that the “2050 net-zero target” and the “2030 short-term targets (100% reduction in Scope 1+2, 25.2% reduction in Scope 3)” are essential to achieving the IEA NZE 2050 scenario aligned with the 1.5° C target.

2. Effect

The analysis results reaffirmed the validity of our specific greenhouse gas reduction targets and accelerated the formulation of our climate transition plan. Concrete action plans such as promoting decarbonization across the entire supply chain and switching to renewable energy were positioned as priorities for achieving the targets.

In this scenario analysis we considered the effects not only of climate change but also of nature-related issues such as biodiversity, water resources and plastics. In particular, through the introduction of the LEAP approach in line with the TNFD recommendations, we will further strengthen the process of identifying the dependencies and impacts of our business activities on natural capital. In this way we will advance the construction of a more comprehensive sustainability strategy that integrates climate action and the conservation of natural capital.

[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Selected:

☒ Yes, we have a climate transition plan for limiting the global temperature increase to 1.5°C or below

(5.2.3) Publicly available climate transition plan

Selected:

☒ Yes

(5.2.4) Plan explicitly stating a commitment to forgo any expenditure on, or revenue from, activities that contribute to fossil fuel expansion

Selected:

☒ Yes

(5.2.5) Details of the activities covered by the commitment and of the implementation of the commitment

Ceres does not conduct business activities that directly contribute to fossil fuel expansion. However, we are keenly aware of indirect fossil fuel dependency in our supply chain, and we have set out the following commitments explicitly in the "Ceres Environmental Policy" and implement them within our climate transition plan.

1. Commitment to reducing Scope 3 emissions

In Scope 3, which accounts for 99.8% of our GHG emissions (particularly the D2C business supply chain), we have identified fossil-fuel-derived plastic use and energy consumption in production and logistics as the main emissions sources, and our climate transition plan commits us to working with suppliers to reduce these emissions.

2. Moving away from fossil-fuel-derived materials

We are committed to advancing the switch from fossil-fuel-derived plastics to biomass plastics and biodegradable plastics in the packaging materials of the D2C business.

3. Switching to renewable energy

We have set a target of converting 100% of the electricity used in our business activities to renewable energy by 2030, and we are advancing this commitment through participation in "RE Action — Declaring 100% Renewable Energy."

These commitments are important steps toward our 2050 net-zero target, and we plan to monitor progress on the climate transition plan regularly using GHG emissions data and the green procurement ratio.

(5.2.7) Mechanism by which feedback is collected from shareholders on your organization's climate transition plan

Selected:

☒ We have another feedback mechanism in place

(5.2.8) Description of the feedback mechanism

Ceres' climate transition plan is integrated into our management processes, and we collect views from key stakeholders including shareholders through multiple feedback mechanisms and reflect them in the plan.

1. IR activities and dialogue

In addition to two financial results briefings a year, management personally holds regular individual meetings with analysts and institutional investors. In these dialogues we explain the status of our ESG (environmental, social and governance) initiatives, hear views on expectations, and collect them as feedback.

2. Sustainability report and corporate website

Through the sustainability report issued annually and the sustainability pages of our corporate website, we disclose the details and progress of our climate transition plan. Broadly, the "Environmental Policy / Environmental Targets" set out what is to be achieved and by when, while the "Sustainability Report" explains how it will be achieved and how much progress has been made. Views are received by the IR team or the Sustainability Promotion Group and used in reviewing the plan.

3. Engagement with suppliers and employees

Through sharing the "Ceres Environmental Policy / Environmental Targets" and holding regular sustainability work sessions with relevant departments, we collect feedback from across the value chain and reflect on-the-ground issues and new ideas in the plan.

(5.2.9) Frequency of feedback collection

Selected:

☒ More frequently than once a year

(5.2.10) Details of the key assumptions and dependencies on which the transition plan rests

<Assumptions>

1. Global policy trends

The assumption that, toward realizing a net-zero society by 2050, policies such as carbon pricing and mandatory GHG emissions reductions will be strengthened in major countries including the Japanese government.

2. Technological innovation

The assumption that the cost of renewable energy will decline, that emissions visualization tools for supply chains will become widespread, and

that the application of blockchain technology to the environmental field will advance.

3. Changes in consumer behavior

The assumption that environmentally aware consumers will increase and that ethical consumption will become mainstream in the market.

<Dependencies>

1. Collaboration with suppliers

Decarbonization across the entire supply chain, which accounts for the majority of Scope 3 emissions, depends heavily on the provision of GHG emissions data by major suppliers and their cooperation in reducing emissions.

2. Fundraising

The technology introduction and R&D investment required to implement the climate transition plan depend on low-interest fundraising through sustainable finance (such as sustainability-linked loans) and on equity finance.

3. Securing talent

It is necessary to secure and develop personnel with the expertise to drive the plan.

(5.2.11) Details of progress against the transition plan disclosed in the current or previous reporting period

Ceres' climate transition plan has made the following progress.

<Progress toward GHG emissions targets>

1. Scope 1+2

We achieved a 100% renewable electricity conversion rate in FY2024 and confirm that we are making steady progress toward the 2030 target.

2. Scope 3

We are building a mechanism for collecting primary data in preparation for beginning engagement with major suppliers.

<Giving concrete form to the environmental policy>

We established the "Ceres Environmental Policy / Environmental Targets" and set out the 2050 net-zero target and the 2030 short-term targets.

<Alignment with external evaluations>

Through participation in the Japan Climate Initiative (JCI) and the Taskforce on Nature-related Financial Disclosures (TNFD) Forum, we have begun verifying the validity of the plan in coordination with external experts.

(5.2.12) Attach relevant documents detailing your organization's climate transition plan (optional)

20250605_Ceres_"Environmental Policy and Environmental Targets"_.pdf, sustainability_ceres_2024.pdf

(5.2.13) Other environmental issues considered in your organization's climate transition plan

Select all that apply

☒ Plastics

Biodiversity

(5.2.14) Explain how other environmental issues were considered in your organization's climate transition plan.

Ceres' climate transition plan does not treat climate change as a standalone issue but considers, in an integrated way, its interrelationships with other environmental issues such as "biodiversity" and "plastics." This integrated approach is examined by applying the LEAP approach (Locate, Evaluate, Assess, Prepare) in line with the TNFD recommendations.

<Plastics>

1. Recognition of the issue

We recognize that the plastic packaging materials used in the D2C business adversely affect biodiversity not only through fossil-fuel-derived GHG emissions during manufacture but also through marine plastic pollution and waste problems.

2. Reflection in the plan

The climate transition plan provides for promoting the switch to biomass plastics and biodegradable plastics, aiming to reduce environmental impact across the entire life cycle of plastics. This is an approach that simultaneously achieves GHG emissions reduction (transition plan) and resource circulation and biodiversity conservation.

<Biodiversity>

1. Recognition of the issue

We recognize that raw material procurement in the D2C business has direct and indirect effects on biodiversity. In addition, temperature rise and water shortages caused by climate change weaken ecosystems and bring physical risks to our business activities.

2. Reflection in the plan

The climate transition plan provides for implementing the LEAP approach in line with the TNFD recommendations at least once a year and for promoting responsible raw material procurement (green purchasing). Furthermore, by applying blockchain technology to contribute to the activation of the carbon credit trading market and by building mechanisms that ensure traceability conducive to biodiversity conservation, we regard this as an opportunity to convert new environmental value into economic value.

Through these activities we are simultaneously advancing climate action and nature positive outcomes.

[Fixed row]

(5.3) Have environmental risks and opportunities influenced your organization's strategy and/or financial planning?

(5.3.1) Environmental risks and opportunities have influenced your organization's strategy and/or financial planning

Selected:

- ☒ Yes, both strategy and financial planning.

(5.3.2) Business areas in which environmental risks and/or opportunities have influenced your organization's strategy

Select all that apply

- ☒ Products and services
☒ Upstream/downstream value chain
☒ Investment in R&D
☒ Operations

[Fixed row]

(5.3.1) Describe the areas of your organization's strategy that environmental risks and opportunities have influenced, and how.

Products and services

(5.3.1.1) Type of influence

Select all that apply

- ☒ Risks
☒ Opportunities

(5.3.1.2) Environmental issues related to the risks and/or opportunities that have influenced your organization's strategy in this area

Select all that apply

- ☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have influenced your organization's strategy in this area.

Ceres positions climate-related risks and opportunities as elements essential to decision-making on management strategy and business operations. Through scenario analysis in line with the TCFD recommendations (IEA NZE 2050 / RCP8.5), the following identified risks and opportunities have had the specific effects on the strategy of each of our business areas set out below.

<Products and services>

1. Risks and opportunities that had an influence

- Risks: changes in customer behavior (market risk) and concerns of partners and stakeholders (reputational risk).
- Opportunities: improved ESG index evaluation and access to sustainability-linked loans

2. Influence on strategy

- Short to medium term

Recognizing that rising consumer environmental awareness (ethical consumption) is a significant risk affecting our earnings, and regarding the avoidance of this risk as an opportunity to establish competitive advantage, we set "provision of environmentally conscious products and services" in the D2C business as a materiality. Accordingly, we placed de-plasticization of packaging materials (switching to biomass/biodegradable plastics) and the development of environmentally conscious products at the core of our product strategy.

Long-term

In the Financial business, we regard the activation of a market that enables the generation and trading of carbon credits – leveraging the transparency and traceability strengths of blockchain technology – as an opportunity. This goes beyond mere service provision and gives concrete form to Ceres' management strategy of "creating a token economy and aiming to become a platform that revitalizes socio-economic activity," turning climate action into a new business opportunity. We believe this strategy achieves both environmental and economic value and leads to the financial opportunity of increased sales driven by rising demand for our services.

Upstream/downstream value chain

(5.3.1.1) Type of influence

Select all that apply

- ☒ Risks
- ☒ Opportunities

(5.3.1.2) Environmental issues related to the risks and/or opportunities that have influenced your organization's strategy in this area

Select all that apply

- ☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have influenced your organization's strategy in this area.

<Upstream and downstream value chain>

1. *Risks and opportunities that had an influence*

- *Risks: the introduction of carbon pricing in the upstream value chain, and physical risks (flooding, temperature variability).*
- *Opportunities: improved resilience of the upstream value chain and strong competitive advantage.*

2. *Influence on strategy*

Medium-term

Since 85.3% of Scope 3 emissions is accounted for by Scope 3 Category 1, the majority of which originates in the D2C business, we identified decarbonization of the supply chain as the most important issue. Accordingly, we decided on resource allocation to move away from calculation based on input-output tables toward the compilation of primary data by supplier, and formulated a strategy of strengthening collaboration with suppliers.

Long-term

In preparation for a scenario in which physical risks become severe (RCP8.5), we planned a strategy to improve the resilience of the D2C business supply chain. Specifically, we aim to geographically disperse our warehouses and build a structure that allows business to continue even if a disaster occurs in a particular region. This strategy leads to an opportunity to maintain a stable product supply structure and establish our position in the market while competitors face supply stoppages.

Investment in R&D

(5.3.1.1) Type of influence

Select all that apply

- ☒ Risks
- ☒ Opportunities

(5.3.1.2) Environmental issues related to the risks and/or opportunities that have influenced your organization's strategy in this area

Select all that apply

- ☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have influenced your organization's strategy in this area.

<Investment in R&D>

1. *Risks and opportunities that had an influence*

- *Risk: technology risk (substitution with lower-environmental-impact technologies)*
- *Opportunity: creation of market opportunities through new technological innovation*

2. *Influence on strategy*

· *Medium to long term*

Recognizing that, depending on the progress of climate action, technology risk will arise through new technologies and changes in business models, we examined R&D investment that turns this risk into an opportunity. Our "token economy" strategy places blockchain technology at its core, and we are examining investment in R&D to apply blockchain technology to the generation and tracking of carbon credits and to ensuring traceability of nature-related information. Through this we aim to build competitive advantage as a sustainable internet company that makes the resolution of environmental issues the driving force of business growth.

Operations

(5.3.1.1) Type of influence

Select all that apply

- ☒ Risks
- ☒ Opportunities

(5.3.1.2) Environmental issues related to the risks and/or opportunities that have influenced your organization's strategy in this area

Select all that apply

- ☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have influenced your organization's strategy in this area.

<Operations>

1. Risks and opportunities that had an influence

- *Risks: physical risk (power interruption due to typhoons) and changes in customer behavior*
- *Opportunities: access to sustainability-linked loans and improved evaluation by ESG indices*

2. Influence on strategy

Short-term

Having identified power interruption due to typhoons as an acute physical risk that would halt business operations, we examined plans to advance the geographical dispersion of servers and the formulation of a BCP (business continuity plan) as countermeasures.

Medium-term

Having confirmed that proactive climate action leads to the opportunity of improved ESG index evaluation, we formulated a financial strategy to secure the human resources required for implementing the climate transition plan and for disclosure.

Long-term

We will incorporate climate change-related indicators and targets into the management remuneration system to promote company-wide implementation of the climate transition plan. This clearly demonstrates Ceres' management policy that climate action is not a cost but a strategic issue directly linked to enhanced corporate value.

In summary, we regard these strategic decisions on climate action – minimizing climate-related risks while maximizing opportunities – as a strategy that contributes to Ceres' long-term enhancement of corporate value and to the realization of a sustainable society.

[Add row]

(5.3.2) Describe the areas of your organization's financial planning that environmental risks and opportunities have influenced, and how.

Row 1

(5.3.2.1) Financial planning elements that have been influenced

Select all that apply

- ☒ Revenue
- ☒ Direct costs
- ☒ Indirect costs

(5.3.2.2) Type of influence

Select all that apply

- ☒ Risks
- ☒ Opportunities

(5.3.2.3) Environmental issues related to the risks and/or opportunities that have influenced these financial planning elements

Select all that apply

- ☒ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have influenced these financial planning elements.

☒ **Risks**

The scenario analysis (IEA NZE 2050) indicated that changes in customer behavior (market risk) have a direct effect on sales. If consumers perceive Ceres as having low environmental awareness, we estimate a risk of a decline in net sales of up to JPY 13.85 billion, particularly in the D2C business. We also recognize that if decarbonization does not progress across the entire supply chain, future carbon pricing will exert upward cost pressure and there is a risk that direct and indirect costs will increase.

☒ **Opportunities**

Proactive climate action brings strong competitive advantage (an opportunity) and leads to increased sales. In particular, the development of environmentally conscious products in the D2C business opens up new customer segments conscious of ethical consumption, and we anticipate increased sales of JPY 1.65 billion to over JPY 2.2 billion over the long term. We also recognize that avoiding carbon pricing through decarbonization across the entire supply chain is an opportunity that curbs future costs and leads to lower direct and indirect costs.

Row 2

(5.3.2.1) Financial planning elements that have been influenced

Select all that apply

- ☒ Capital expenditure
- ☒ Access to capital

(5.3.2.2) Type of influence

Select all that apply

- ☒ Risks
- ☒ Opportunities

(5.3.2.3) Environmental issues related to the risks and/or opportunities that have influenced these financial planning elements

Select all that apply

- ☒ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have influenced these financial planning elements.

<Explanation>

1. Risks

Analysis of the RCP8.5 scenario (high emissions) showed that physical risks (typhoons, flooding) would have a serious effect on our assets. In particular, if D2C business inventory were damaged by flooding, a financial loss of up to JPY 1.48 billion could occur. To address this risk, our financial plan includes capital expenditure as an adaptation measure against physical risks. Specifically, we plan investment in the geographical dispersion of warehouses and in server redundancy.

2. Opportunities

Proactive climate action leads to the opportunity of improved ESG index evaluation and increases access to capital. We estimate that this presents an opportunity for an increase in shareholder value equivalent to up to 60% of market capitalization. In addition, by actively using sustainability-linked loans we will be able to raise funds at low interest rates, and we plan to allocate the funds obtained to the development of decarbonization technologies, the expansion of environmentally conscious products, and the shift to new business models.

Row 3

(5.3.2.1) Financial planning elements that have been influenced

Select all that apply

☒ Debt

(5.3.2.2) Type of influence

Select all that apply

☒ Opportunities

(5.3.2.3) Environmental issues related to the risks and/or opportunities that have influenced these financial planning elements

Select all that apply

☒ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have influenced these financial planning elements.

<Explanation>

1. Opportunities

Progress on our climate transition plan and improved ESG evaluation have created the opportunity to use sustainable finance, particularly sustainability-linked loans. This is expected to reduce debt costs through preferential interest rates (0.1% to 0.3%) on our existing borrowings (approximately JPY 9.5 billion). We regard this as an opportunity that contributes directly to improved cash flow over the short, medium and long

term.
[Add row]

(5.4) Have you identified spending/revenue in your financial accounting that is aligned with your organization's climate transition plan?

	Identification of spending/revenue items aligned with the organization's climate transition plan	Details of the methodology or framework used to assess alignment with your organization's climate transition plan
	<i>Selected:</i> ☒ Yes	<i>Select all that apply</i> ☒ Other methodology or framework

[Fixed row]

(5.4.1) Quantify the amount and proportion of spending/revenue aligned with your climate transition plan.

Row 1

(5.4.1.1) Methodology or framework used to assess alignment

Selected:
☒ Other, please specify: We use our own internal framework, based on the quantitative targets set out explicitly in the "Ceres Environmental Policy / Environmental Targets"

(5.4.1.5) Financial metric

Selected:
☒ Revenue/net sales

(5.4.1.6) Amount aligned in the reporting year for the selected financial metric (currency)

(5.4.1.7) Proportion aligned in the reporting year for the selected financial metric (%)

5.4

(5.4.1.8) Proportion planned to be aligned in 2025 for the selected financial metric (%)

7

(5.4.1.9) Proportion planned to be aligned in 2030 for the selected financial metric (%)

15

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition plan

Rather than relying on an external sustainable finance taxonomy, Ceres uses its own internal framework to classify whether business activities are environmentally and socially sustainable and to assess alignment with the climate transition plan. This method is based on the qualitative and quantitative targets set out explicitly in the "Ceres Environmental Policy / Environmental Targets."

In assessing alignment with the climate transition plan against the "Ceres Environmental Policy / Environmental Targets," we pay particular attention not only to life cycle assessment and trade-off perspectives but also to ensuring that we do not overlook activities with a positive financial and environmental effect over the short, medium and long term — and equally that we take the converse into account.

<Examples of aligned activities, products, and services>

- 1. Expanded sales of environmentally conscious products using biomass plastics and certified forest materials in the D2C business.*
- 2. Revenue from staking services for crypto assets that use the Proof of Stake algorithm, which consumes little electricity.*
- 3. Acquisition of new customers through the donation service to environment-related organizations via the point-reward site "Moppy."*

<Examples of non-aligned activities, products, and services>

- Revenue from services where environmental consideration is not clear, such as D2C products using fossil-fuel-derived plastic packaging.*

<Changes in alignment and assumptions>

The increase in the proportion of aligned revenue from 2025 onward is based on the following assumptions.

- 1. Rising consumer awareness: Ethical consumption becomes mainstream in the market and demand for environmentally conscious products increases.*
- 2. Acceleration of product strategy: The composition ratio of sales rises through greater environmental consideration and stronger marketing activities in the D2C business.*

3. Market introduction of new technologies: New environmental value creation services using blockchain technology contribute to earnings.

At present we have not obtained third-party verification of this alignment information, but going forward we will consider the positioning of third-party verification at Ceres in order to enhance the quality and content of our disclosure and improve its reliability.

Row 2

(5.4.1.1) Methodology or framework used to assess alignment

Selected:

☒ Other, please specify: We use our own internal framework that extracts operating expenditure (OPEX) contributing directly to the implementation of the climate transition plan and assesses it as a proportion of total OPEX.

(5.4.1.5) Financial metric

Selected:

☒ OPEX

(5.4.1.6) Amount aligned in the reporting year for the selected financial metric (currency)

12636000

(5.4.1.7) Proportion aligned in the reporting year for the selected financial metric (%)

0.05

(5.4.1.8) Proportion planned to be aligned in 2025 for the selected financial metric (%)

0.07

(5.4.1.9) Proportion planned to be aligned in 2030 for the selected financial metric (%)

0.1

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition plan

We use our own internal framework to assess how much the expenditure directed at implementing the climate transition plan contributes to achieving our GHG reduction targets.

<Examples of aligned activities and expenditure>

1. Supplier engagement personnel costs aimed at reducing GHG emissions in the supply chain.

JPY 10,638,000

2. Costs of disclosure, such as formulating the environmental policy, preparing the sustainability report, and responding to CDP.

JPY 740,000

3. Cost of purchasing J-Credits and non-fossil certificates

JPY 258,000

4. Cost of obtaining third-party verification

Cost of obtaining third-party verification: JPY 1,000,000

<Examples of non-aligned activities and expenditure>

Costs within ordinary operating expenditure (office rent, advertising expenses, etc.) that are not directly linked to achieving environmental targets.

<Changes in alignment and assumptions>

The increase in the proportion of aligned OPEX is based on the following assumptions.

1. Strengthened investment in the supply chain: The allocation of human and financial resources increases toward achieving the Scope 3 reduction target.

2. Capacity building: We continuously invest in training and education for employees in order to make up for the shortfall in internal expertise.

3. Expanded disclosure: Costs to strengthen the disclosure structure increase in order to respond to new disclosure requirements such as the TNFD.

At present we have not obtained third-party verification of this alignment information, but going forward we will consider the positioning of third-party verification at Ceres in order to enhance the quality and content of our disclosure and improve its reliability.

[Add row]

(5.10) Do you use an internal price on environmental externalities?

	Use of an internal price on environmental externalities	Environmental externalities priced
	<i>Selected:</i> ☒ Yes	<i>Select all that apply</i> ☒ Carbon

[Fixed row]

(5.10.1) Provide details of your internal carbon price.

Row 1

(5.10.1.1) Type of pricing scheme

Selected:

☒ Shadow price

(5.10.1.2) Objectives for introducing an internal price

Select all that apply

- | | |
|--|--|
| ☒ Preparation for regulation | ☒ Setting a carbon offset budget |
| ☒ Driving low-carbon investment | ☒ Influencing strategy and/or financial planning |
| ☒ Driving energy efficiency | ☒ Reducing upstream value chain emissions |
| ☒ Conducting cost-benefit analysis | ☒ Encouraging consideration of climate-related issues in decision-making |
| ☒ Identifying and seizing low-carbon opportunities | ☒ Setting and/or achieving climate-related policies and targets |
| ☒ Encouraging consideration of climate-related issues in risk assessment | |

(5.10.1.3) Factors considered when determining the price

Select all that apply

- | | |
|---|--|
| ☒ Scenario analysis | ☒ Social cost of climate-related impacts |
|---|--|

- ☒ Alignment with international standards
- ☒ Alignment with carbon tax prices
- ☒ Existing or pending legislation
- ☒ Alignment with scientific guidance

- ☒ Price/cost of voluntary carbon offset credits
- ☒ Cost of the measures needed to achieve climate-related targets

(5.10.1.4) Calculation method and assumptions used in determining the price

Ceres' internal carbon price is used to assess the potential financial effect that future carbon taxes and pricing mechanisms will have on our business. The price was set with reference to the scenarios set out in the IEA (International Energy Agency) report "Net Zero by 2050." According to that report, the carbon price is assumed to be USD 130 per t-CO₂ in 2030 and USD 250 per tonne in 2050. We use this shadow price to forecast future upward cost pressure on Ceres, to analyze the magnitude of the opportunities and risks associated with reducing Scope 3 emissions, and to justify business strategy and investment and inform decision-making.

(5.10.1.5) Scopes covered

Select all that apply

- | | |
|--|--|
| ☒ Scope 1 | ☒ Scope 3, Category 7 — Employee commuting |
| ☒ Scope 2 | ☒ Scope 3, Category 8 — Upstream leased assets |
| ☒ Scope 3, Category 6 — Business travel | ☒ Scope 3, Category 5 — Waste generated in operations |
| ☒ Scope 3, Category 2 — Capital goods | ☒ Scope 3, Category 4 — Upstream transportation and distribution |
| ☒ Scope 3, Category 15 — Investments | ☒ Scope 3, Category 12 — End-of-life treatment of sold products |
| ☒ Scope 3, Category 1 — Purchased goods and services | |
| ☒ Scope 3, Category 3 — Fuel- and energy-related activities (not included in Scope 1 or 2) | |

(5.10.1.6) Pricing approach used — variation by region

Selected:

- ☒ Single price

(5.10.1.8) Pricing approach used — variation over time

Selected:

- ☒ Variable (over the time horizon)

(5.10.1.9) How you expect the price to change over time

Based on the IEA "Net Zero by 2050" scenario, Ceres expects the carbon price to rise over time. That scenario projects that the carbon price will rise in stages as society transitions to net zero by 2030 and then 2050. Ceres has strongly declared its international commitment to climate action; we do not set different prices by region, and by applying a consistent approach across our global supply chain we ensure fairness and transparency in our decarbonization initiatives.

(5.10.1.10) Actual minimum price used (currency, per tonne CO2 equivalent)

239

(5.10.1.11) Actual maximum price used (currency, per tonne CO2 equivalent)

37500

(5.10.1.12) Business decision-making processes to which this internal price is applied

Select all that apply

- | | |
|--|--|
| ☒ Operations | ☒ Management of dependencies |
| ☒ Procurement | ☒ Risk management |
| ☒ Remuneration | ☒ Management of impacts |
| ☒ Capital expenditure | ☒ Products and R&D |
| ☒ Opportunity management | ☒ Public policy engagement |
| ☒ Value chain engagement (collaboration) | |

(5.10.1.13) Application of the internal price is mandatory in business decision-making processes

Selected:

- ☒ Yes, in some decision-making processes (please specify):

Ceres' internal carbon price is applied mainly to climate change-related risks and opportunities and to strategic planning. In particular, it is used to take account of future carbon costs in decisions on capital expenditure and procurement, allowing us to assess comprehensively not only short-term costs but also long-term environment-related risks and opportunities and to work on increasing the resilience of our business.

(5.10.1.14) Proportion of total emissions in the selected scopes in the reporting year that is covered by this internal price (%)

(5.10.1.15) The pricing approach is monitored and evaluated in order to achieve the objectives

Selected:

☒ Yes

(5.10.1.16) Details of how the pricing approach is monitored and evaluated in order to achieve the objectives

We regularly monitor and evaluate whether the internal carbon price is effective in achieving our climate-related targets.

1. Measuring progress

We measure progress against our GHG emissions reduction targets (a 100% reduction in Scope 1+2 by 2030 and a 25.2% reduction in Scope 3 compared with FY2024).

2. Re-evaluating scenario analysis

Referring to the latest climate change scenarios published by the IEA and the IPCC, we review the parameters and effectiveness of the internal carbon price each year.

3. Analyzing financial effects

We analyze the extent to which decisions applying the internal carbon price contribute to long-term cost reduction and the creation of revenue opportunities.

4. Supplier engagement cost

Through collaboration with suppliers we assess the status of Scope 3 emissions reductions and confirm whether the internal carbon price is effective in driving decarbonization across the entire value chain.

This monitoring and evaluation process is led by the Sustainability Promotion Committee, chaired by the President and Representative Director, which reports regularly to the Board of Directors in coordination with the Risk Management Committee.

[Add row]

(5.11) Do you engage with your value chain on environmental issues?

	We engage with this stakeholder group on environmental issues	Environmental issues covered
Suppliers	Selected:	Select all that apply

	We engage with this stakeholder group on environmental issues	Environmental issues covered
	☒ Yes	☒ Climate change
Customers	<i>Selected:</i> ☒ Yes	<i>Select all that apply</i> ☒ Climate change
Investors and shareholders	<i>Selected:</i> ☒ Yes	<i>Select all that apply</i> ☒ Climate change
Other value chain stakeholders	<i>Selected:</i> ☒ Yes	<i>Select all that apply</i> ☒ Climate change

[Fixed row]

(5.11.1) Do you assess and classify your suppliers by their environmental dependencies and/or impacts?

Climate change

(5.11.1.1) Assessment of suppliers' environmental dependencies and/or impacts

Selected:

☒ Yes, we assess suppliers' dependencies and/or impacts

(5.11.1.2) Criteria used to assess suppliers' environmental dependencies and/or impacts

Select all that apply

- ☒ Contribution to supplier-related Scope 3 emissions
- ☒ Dependency on ecosystem services/environmental assets
- ☒ Impact on plastic waste and pollution

(5.11.1.3) Proportion of Tier 1 suppliers assessed (%)

Selected:

☒ 100%

(5.11.1.4) Definition of the threshold for classifying a supplier as having significant environmental dependencies and/or impacts

We recognize that the majority (85.3%) of Scope 3 emissions, which account for 99.8% of Ceres' total GHG emissions, is attributable to Scope 3 Category 1, arising from OEM production and logistics in the upstream value chain. Accordingly, we classify suppliers falling under Scope 3 Category 1, which has the greatest effect on GHG emissions reduction, as suppliers with a "significant impact" on the environment. This is because the majority (85.3%) of Scope 3 emissions is attributable to Scope 3 Category 1.

(5.11.1.5) Proportion of Tier 1 suppliers meeting the threshold for significant environmental dependencies and/or impacts (%)

Selected:

☒ 1-25%

(5.11.1.6) Number of Tier 1 suppliers meeting the threshold for significant environmental dependencies and/or impacts

0

[Fixed row]

(5.11.2) Which suppliers do you prioritize for engagement on environmental issues?

Climate change

(5.11.2.1) Prioritization of supplier engagement on this environmental issue

Selected:

☒ Yes, we prioritize suppliers for engagement on this environmental issue

(5.11.2.2) Criteria for deciding which suppliers to prioritize for engagement on this environmental issue

Select all that apply

- ☑ In accordance with the criteria used to classify suppliers as having significant dependencies and/or impacts related to climate change
- ☑ Mitigation of business risk
- ☑ Influence over the supplier
- ☑ Reputation management
- ☑ Strategic status of the supplier

(5.11.2.4) Please explain

In order to promote decarbonization across the entire supply chain (particularly the D2C business), Ceres has set priorities for supplier engagement on climate change.

1. Significant dependencies and impacts related to climate change

13% of total Scope 1+2+3 emissions originates in the upstream supply chain of the D2C business (Scope 3 Category 1), which is the largest emissions source, so we give the highest priority to suppliers in this area. We recognize supplier engagement as the most important approach to mitigating this significant impact.

2. Mitigation of business risk and reputation management

If GHG emissions in the supply chain remain high, there is a risk of a significant financial effect on our business due to the future introduction of carbon pricing and rising ethical consumption awareness among customers. By working with suppliers to reduce emissions, we can mitigate these transition risks and establish a reputation as an environmentally conscious company. We recognize this as essential to building an advantage over competitors and earning the trust of customers and investors.

3. Influence over the supplier

We encourage D2C business suppliers to collaborate on reducing GHG emissions and work to ensure they understand and internalize our environmental policy. We recognize that suppliers are motivated to meet environmental requirements in order to maintain their business with us.

4. Strategic status of the supplier

In preparation for scenarios in which physical risks (such as flooding and temperature variability) increase, we give priority to major OEM suppliers and warehouse operators in order to strengthen supply chain resilience. We recognize that by working with these suppliers to jointly formulate BCPs, we can build a structure that allows business to continue even during physical disasters.

These criteria are focused on reducing GHG emissions in the D2C business supply chain, and we will set priorities based on business activities, product lines, and our relationships with suppliers.

[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environment-related requirements associated with this environmental issue as

part of the purchasing process

Selected:

☒ Yes, suppliers have to meet environment-related requirements associated with this environmental issue, but they are not included in supplier contracts

(5.11.5.2) Policy for addressing supplier non-compliance

Selected:

☒ Yes, we have a policy for addressing non-compliance

(5.11.5.3) Comments

<Suppliers' environment-related requirements and the purchasing process>

Ceres requires suppliers to meet specific climate change-related environmental requirements as part of the purchasing process. Although these are not included in direct contracts, they are implemented through the Ceres Purchasing Management Regulations and the Ceres Environmental Policy / Environmental Targets. Taking fair relationships with suppliers as a basic principle, we make a comprehensive judgment in selecting suppliers, considering creditworthiness in addition to technical capability and manufacturing capacity.

<Credit evaluation based on the scoring manual>

Ceres' scoring manual sets out criteria for quantifying and visualizing a business partner's creditworthiness and for setting credit limits. This evaluation process forms the basis for indirectly evaluating suppliers' environmental compliance status.

<Scoring evaluation items>

1. Listed companies

Scoring is carried out based on multiple financial and management indicators, including capital, equity ratio, current ratio, changes in operating margin, business results (revenue and profit growth), borrowings, collection terms, whether the relationship is a direct transaction, sales of significant assets, and notes on going concern.

2. Unlisted companies

In addition to indicators similar to those for listed companies, evaluation items include capital relationships and Teikoku Databank ratings. Based on the results of this scoring, we determine credit ratings and standard credit limits.

<Compliance and response to non-compliance>

The Ceres Environmental Policy sets out that we will strengthen our outreach to the supply chain and deepen engagement toward achieving our environmental targets.

If a supplier does not comply with Ceres' requirements, our policy is not to terminate the relationship immediately but to encourage improvement through dialogue and collaboration.

This approach aims to improve the environmental performance of the entire supply chain while building long-term relationships.

[Fixed row]

(5.11.6) Provide details of the environment-related requirements suppliers must meet as part of your purchasing process, and the measures you take to ensure compliance.

Climate change

(5.11.6.1) Environment-related requirement

Selected:

☒ Setting science-based emissions reduction targets

(5.11.6.2) Mechanisms for monitoring compliance with this environment-related requirement

Select all that apply

☒ Supplier scorecard or rating

(5.11.6.3) Proportion of procurement spend with Tier 1 suppliers required to comply with this environment-related requirement (%)

Selected:

☒ Less than 1%

(5.11.6.4) Proportion of procurement spend with Tier 1 suppliers complying with this environment-related requirement (%)

Selected:

☒ Less than 1%

(5.11.6.7) Proportion of Tier 1 supplier-related Scope 3 emissions attributable to suppliers required to comply with this environment-related requirement (%)

Selected:

☒ 76-99%

(5.11.6.8) Proportion of Tier 1 supplier-related Scope 3 emissions attributable to suppliers complying with this environment-related requirement (%)

Selected:

☒ Less than 1%

(5.11.6.9) Response to suppliers not complying with this environment-related requirement

Selected:

☒ Retain and engage

(5.11.6.10) Proportion of non-compliant suppliers engaged (%)

Selected:

☒ Less than 1%

(5.11.6.11) Procedures for engaging with non-compliant suppliers

Select all that apply

☒ Providing information on appropriate measures that can be taken to address non-compliance

(5.11.6.12) Comments

Ceres' policy for supplier non-compliance with environment-related requirements is to encourage improvement through dialogue and collaboration rather than to suspend transactions immediately. This policy is based on the principle set out in our Purchasing Management Regulations of making a comprehensive judgment of a supplier's "creditworthiness," and on the environmental policy objective of continuously improving supply chain performance. Where non-compliance is confirmed, Ceres carries out engagement through the following steps.

1. Information sharing and target setting

We publish the "Ceres Environmental Policy / Targets" and, based on that policy, request suppliers to disclose GHG emissions data and propose setting reduction targets jointly.

2. Continuous monitoring

We monitor progress against improvement plans through supplier scorecards and periodic self-assessments. Where non-compliance is judged to be a serious violation (for example, illegal conduct or serious environmental pollution), we consider terminating or suspending the transaction in accordance with the Purchasing Management Regulations. In principle, however, Ceres aims to achieve decarbonization and greater resilience across the entire supply chain by persistently encouraging improvements in environmental performance while maintaining the relationship with the

supplier.

Through the "Ceres Human Rights Policy" and the "Ceres Environmental Policy," Ceres sets out the guidelines for conduct it expects of suppliers.

The "Ceres Human Rights Policy" states that forced labour and child labour are prohibited throughout the supply chain, while the "Ceres Environmental Policy" states that we will endeavor to prevent environmental pollution risks in the supply chain and will strengthen our outreach to the supply chain and deepen engagement toward achieving our environmental targets.

Ceres recognizes that these documents serve the role of a standalone "Supplier Code of Conduct." However, in order to further accelerate decarbonization, we plan to formulate Ceres' own "Supplier Code of Conduct" and "Procurement Policy" aligned with our environmental policy and targets, to accelerate more proactive supplier engagement, and to work collaboratively so that both sides can achieve their SBT targets toward decarbonization.

[Add row]

(5.11.7) Provide details of your supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Selected:

☒ Emissions reduction

(5.11.7.3) Type and details of engagement

Capacity building

☒ Provide training, support, and best practice on how to measure GHG emissions

☒ Provide training, support, and best practice on how to mitigate environmental impacts

☒ Provide training, support, and best practice on how to set science-based targets

Innovation and collaboration

☒ Collaborate with suppliers on innovation to reduce the environmental impact of products and services

(5.11.7.4) Upstream value chain covered

Select all that apply

☒ Tier 1 suppliers

(5.11.7.5) Proportion of procurement spend from Tier 1 suppliers engaged (%)

Selected:

☒ 1-25%

(5.11.7.6) Proportion of Tier 1 supplier-related Scope 3 emissions covered by the engagement (%)

Selected:

☒ 76-99%

(5.11.7.9) Describe the engagement and explain its effect on the selected environmental action

Ceres' supplier engagement focuses on reducing GHG emissions and promoting a circular economy.

Because the main source of GHG emissions (Scope 3) is the D2C business in the upstream supply chain, we strengthen collaboration with suppliers in this area and drive emissions reductions.

<Effects of engagement>

1. Improved data collection and transparency

Through regular data collection we become able to accurately grasp emissions across the entire supply chain. This makes it possible to formulate more effective reduction strategies.

2. Promotion of technological innovation

Working with suppliers, we promote products and technological innovation with lower environmental impact (for example, the switch to biomass plastics and biodegradable plastics).

This improves the environmental performance of D2C business products and enhances competitiveness.

3. Risk mitigation

By supporting suppliers' emissions reduction efforts, we reduce future transition risks such as carbon taxes.

It also improves supply chain resilience and allows business interruption due to physical risks (such as flooding) to be avoided.

4. Cost reduction

By promoting waste reduction and the effective use of resources, we reduce supply chain operating costs and contribute to financial gains.

Ceres also encourages its suppliers to collaborate with their own suppliers further upstream (Tier 2 and beyond). Decarbonization across the entire supply chain cannot be achieved without the cooperation not only of Tier 1 suppliers but also of the suppliers beyond them. Ceres' engagement aims to make Tier 1 suppliers aware of their responsibility for their own supply chains, to increase transparency, and to encourage collaboration toward improved environmental performance.

(5.11.7.10) The engagement helps Tier 1 suppliers meet the environmental requirements associated with this

environmental issue

Selected:

☒ Yes, please specify the environmental requirements: Yes.

Ceres' engagement activities help suppliers meet environmental requirements.

1. Providing knowledge and best practice

Through education on GHG emissions measurement methods and on measures to mitigate environmental impacts, we help suppliers build the capability to understand and improve their own environmental performance.

2. Support for setting clear targets

We work with suppliers to set GHG reduction targets and support them in integrating climate action into their business strategy. This gives suppliers a concrete roadmap for meeting environmental requirements.

(5.11.7.11) The engagement encourages your Tier 1 suppliers to collaborate with their own suppliers on the selected action

Selected:

☒ Yes

[Add row]

(5.11.9) Provide details of your environmental engagement activities with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Selected:

☒ Customers

(5.11.9.2) Type and details of engagement

Education/information sharing

☒ Run engagement campaigns to raise stakeholder awareness of the environmental impacts of your organization's products, goods, and/or services

- ☒ Share information about your organization's products and related certification schemes

Innovation and collaboration

- ☒ Run campaigns to encourage innovation to reduce environmental impacts

(5.11.9.3) Proportion of the stakeholder type engaged (%)

Selected:

- ☒ 100%

(5.11.9.4) Proportion of stakeholder-related Scope 3 emissions (%)

Selected:

- ☒ 76-99%

(5.11.9.5) Rationale for engaging with these stakeholders and the scope of the engagement

Ceres positions customers as important stakeholders and proactively discloses information about the value our business activities provide to customers and about our environmental impacts. The main purpose of customer engagement lies in the rise in consumer environmental awareness: as the segment conscious of ethical consumption grows, we recognize that making customers aware of Ceres' sustainability activities is an important opportunity leading to increased sales and enhanced corporate value.

The scope of our engagement activities spans the D2C business and the points media business, and is placed at the core of our business strategy through the development and provision of environmentally conscious products, Moppy SDGs, and the creation of environmental value using blockchain technology.

Through internet marketing, Ceres aims to remain a platform where customers can encounter sustainable products and services. Through the point-reward site "Moppy" we contribute to the realization of rich lives for people, and we operate a dedicated donation platform that contributes to disaster relief and the resolution of social issues.

(5.11.9.6) Metrics for measuring the effect and success of the engagement

<Effects>

1. Increased sales

We aim to increase the proportion of sales from environmentally conscious products in the D2C business, and by capturing demand from the ethical consumption segment we contribute to sales expansion.

2. Enhanced brand value

By proactively communicating our environmental initiatives, our corporate reputation improves, leading to the building of long-term customer

loyalty.

3. Social contribution

By providing a platform through the point-reward site "Moppy" that allows users to donate to environmental organizations, we encourage customers' contribution to the environment and help resolve social issues.

<Metrics>

1. Proportion of sales from environmentally conscious products

We measure the proportion of environmentally conscious products within net sales in the D2C business.

2. Donation amounts

We track the total amount donated to environment-related organizations through the point-reward site "Moppy."

3. Engagement rate

We monitor customer participation rates and access numbers for environment-related campaigns and content.

[Add row]

C6. Environmental performance – consolidation approach

(6.1) Specify the consolidation approach you have selected for calculating environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Selected:

☒ Financial control

(6.1.2) Specify the rationale for selecting this consolidation approach

Ceres uses the financial control approach for calculating CDP environmental performance data. The reason for selecting this approach lies in the form of our business and in clarifying financial responsibility in corporate management. The financial control approach covers all consolidated subsidiaries in which we hold a majority of voting rights — the same scope as that used in preparing our consolidated financial statements — and by aligning the reporting boundary for environmental data with the scope of the consolidated financial statements we ensure consistency of information. We judged that the financial control approach makes it possible to grasp and assess more accurately the effect that climate change-related financial risks and opportunities have on our financial position. In addition, our business is diversified, including group companies, and we judge that managing the environmental burden of all business activities in connection with the entity that creates economic value is the most rational way to fulfill our accountability to stakeholders. Because the Ceres subsidiaries Deanna, Bacchus, Salus and Apollo Capital are located in the same building and on the same floor, their GHG emissions are reported on a consolidated basis with Ceres.

Plastics

(6.1.1) Consolidation approach used

Selected:

☒ Financial control

(6.1.2) Specify the rationale for selecting this consolidation approach

Ceres uses the financial control approach for calculating CDP environmental performance data. The reason for selecting this approach lies in the form of our business and in clarifying financial responsibility in corporate management. The financial control approach covers all consolidated subsidiaries in which we hold a majority of voting rights — the same scope as that used in preparing our consolidated financial statements — and by aligning the reporting boundary for environmental data with

the scope of the consolidated financial statements we ensure consistency of information. We judged that the financial control approach makes it possible to grasp and assess more accurately the effect that climate change-related financial risks and opportunities have on our financial position. In addition, our business is diversified, including group companies, and we judge that managing the environmental burden of all business activities in connection with the entity that creates economic value is the most rational way to fulfill our accountability to stakeholders. Because the Ceres subsidiaries Deanna, Bacchus, Salus and Apollo Capital are located in the same building and on the same floor, their GHG emissions are reported on a consolidated basis with Ceres.

Biodiversity

(6.1.1) Consolidation approach used

Selected:

☒ Financial control

(6.1.2) Specify the rationale for selecting this consolidation approach

Ceres uses the financial control approach for calculating CDP environmental performance data. The reason for selecting this approach lies in the form of our business and in clarifying financial responsibility in corporate management. The financial control approach covers all consolidated subsidiaries in which we hold a majority of voting rights — the same scope as that used in preparing our consolidated financial statements — and by aligning the reporting boundary for environmental data with the scope of the consolidated financial statements we ensure consistency of information. We judged that the financial control approach makes it possible to grasp and assess more accurately the effect that climate change-related financial risks and opportunities have on our financial position. In addition, our business is diversified, including group companies, and we judge that managing the environmental burden of all business activities in connection with the entity that creates economic value is the most rational way to fulfill our accountability to stakeholders.

Because the Ceres subsidiaries Deanna, Bacchus, Salus and Apollo Capital are located in the same building and on the same floor, their GHG emissions are reported on a consolidated basis with Ceres.

[Fixed row]

C7. Environmental performance – climate change

(7.1) Is this the first year you are reporting emissions data to CDP?

Selected:

☒ No

(7.1.1) Has your organization undergone any structural change in the reporting year, or are any past structural changes included in this emissions data disclosure?

	Was there a structural change?
	Select all that apply ☒ No

[Fixed row]

(7.1.2) Have your emissions calculation methodology, boundary, and/or reporting year definition changed in the reporting year?

	Are there any changes to the calculation methodology, boundary, or reporting year definition?
	Select all that apply ☒ No

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology used to collect activity data and calculate emissions.

Select all that apply

- ☒ ISO 14064-1
- ☒ Act on Promotion of Global Warming Countermeasures (revised 2005, Japan)
- ☒ GHG Protocol Corporate Accounting and Reporting Standard (revised edition)
- ☒ GHG Protocol Scope 2 Guidance
- ☒ GHG Protocol Corporate Value Chain (Scope 3) Standard

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

(7.3.1) Scope 2, location-based

Selected:

- ☒ We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Selected:

- ☒ We are reporting a Scope 2, market-based figure

(7.3.3) Comments

In accordance with the requirements of the GHG Protocol Scope 2 Guidance, we report both a market-based figure reflecting emissions under contractual instruments (renewable electricity purchase agreements, use of non-fossil certificates, etc.) and a location-based figure using average emission factors for electricity providers. In this way we disclose our emissions reduction efforts transparently and fulfill our accountability to stakeholders.

[Fixed row]

(7.4) Within the selected reporting boundary, are there any Scope 1, Scope 2, or Scope 3 emissions sources (e.g., facilities, specific greenhouse gases, activities, geographies) not included in your disclosure?

Selected:

☒ No

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

2

(7.5.3) Methodology details

List of calculation methods and emission factors under the calculation, reporting and disclosure system of the Act on Promotion of Global Warming Countermeasures;
other factors: "combustion of city gas"

"City gas consumption (m³)" × "city gas emission factor (t-CO₂/thousand m³)"

Scope 1 emissions are calculated from the consumption of city gas used at our offices.

Measurement method: Consumption (activity data) is obtained from city gas invoices and multiplied by the emission factor.

Activity data: 0.9120 thousand m³

Emission factor: The emission factor for city gas combustion, "2.05 tCO₂/thousand Nm³," from the list of calculation methods and emission factors under the calculation, reporting and disclosure system of the Act on Promotion of Global Warming Countermeasures.

Rationale for selection: We adopted it because it is an official emission factor based on Japanese law and is therefore highly reliable.

Scope 2 (location-based)

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

126

(7.5.3) Methodology details

Emission factors by electricity provider (for calculating greenhouse gas emissions of specified emitters) — FY2023 results — published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry; other factors: "electricity emission factor (average)"

"Electricity consumption (kWh)" × "average electricity emission factor (t-CO₂/kWh)"

Location-based

Measurement method: Calculated by multiplying the annual electricity consumption (activity data) of all offices by Japan's national average emission factor.

Activity data: 297,692 kWh

Emission factor: The national average emission factor "0.000423 t-CO₂/kWh" from "Emission factors by electricity provider (for calculating greenhouse gas emissions of specified emitters) — FY2023 results," published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry.

Rationale for selection: In accordance with the requirements of the GHG Protocol, we adopted the national average emission factor, which reflects the average electricity mix of providers, in order to compare emissions across all offices on a fair basis.

Scope 2 (market-based)

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO₂e)

43

(7.5.3) Methodology details

Emission factors by electricity provider (for calculating greenhouse gas emissions of specified emitters) — FY2023 results — published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry; other factors; emission factors by heat supply provider; J-Credit scheme emission factors

(1) "Heat consumption (GJ)" × "average emission factor by heat supply provider (t-CO₂/GJ)"

(2) "Electricity consumption (kWh)" × "emission factor by electricity provider (t-CO₂/kWh)"

Market-based

Measurement method: Calculated using contractual emission factors, taking into account the volume of renewable electricity purchased and the volume of J-Credits retired.

Activity data: Electricity consumption (renewable): 202,927 kWh

Electricity consumption (non-renewable): 94,765 kWh

Emission factor: "0 t-CO₂/kWh" is used for renewable electricity.

For non-renewable electricity, the residual mix emission factor of each electricity company is used (where published).

Rationale for selection: In line with the GHG Protocol Scope 2 Guidance, in order to reflect emissions reduction efforts made through contracts.

Scope 3 Category 1: Purchased goods and services

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO₂e)

18892

(7.5.3) Methodology details

Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3; GLIO (input-output table)

"Purchase amount by account item or application (JPY million)" × "GLIO emission factor (t-CO₂eq/JPY million)"

Measurement method: Calculated by multiplying the value of purchased goods and services in the D2C business by the GLIO emissions intensity.

Emissions: 18,892 t-CO₂

Scope 3 Category 2: Capital goods

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO₂e)

728

(7.5.3) Methodology details

Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3; GLIO (input-output table)

"Acquisition value of tangible and intangible fixed assets" × "Ministry of the Environment DB_6 information services (t-CO₂eq/JPY million)"

Measurement method: Calculated by multiplying the acquisition value of tangible and intangible fixed assets by the emissions intensity for "information services" in Ministry of the Environment DB_6.

Emissions: 728 t-CO₂

Scope 3 Category 3: Fuel- and energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

21

(7.5.3) Methodology details

Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3; GLIO (input-output table)

"City gas consumption (m³)" × "Ministry of the Environment DV7 city gas (tCO2e/thousand m³)" + "electricity consumption (kWh)" × "Ministry of the Environment DV7 electricity (tCO2e/kWh)"

Measurement method: Calculated by multiplying the cost of energy-related activities excluding Scope 1 and 2 by the emissions intensity in Ministry of the Environment DB_7.

Emissions: 21 t-CO2

Scope 3 Category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

734

(7.5.3) Methodology details

Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3

"Purchase amount by account item or application (JPY million)" × "Ministry of the Environment DB5 purchaser (t-CO2eq/JPY million)"

Measurement method: Calculated by multiplying transportation and delivery costs in the D2C business by the emissions intensity in Ministry of the Environment DB_5.

Emissions: 734 t-CO2

Scope 3 Category 5: Waste generated in operations

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

9

(7.5.3) Methodology details

Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3

"Purchase amount by account item or application (JPY million)" × "GLIO waste treatment industry (t-CO2eq/JPY million)"

Measurement method: Calculated by multiplying waste treatment costs by the GLIO emissions intensity for the "waste treatment industry."

Emissions: 9 t-CO2

Scope 3 Category 6: Business travel

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

87

(7.5.3) Methodology details

Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3

"Number of employees" × "Ministry of the Environment DB_13 per employee"

Measurement method: Calculated by multiplying the number of employees by the "per employee" emissions intensity in Ministry of the Environment DB_13.

Emissions: 87 t-CO2

Scope 3 Category 7: Employee commuting

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

75

(7.5.3) Methodology details

Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3
"Travel and transportation expenses (JPY million)" × "Ministry of the Environment DB_11 passenger rail"
Measurement method: Calculated by multiplying travel and transportation expenses by the emissions intensity for "passenger rail" in Ministry of the Environment DB_11.
Emissions: 75 t-CO2

Scope 3 Category 8: Upstream leased assets

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

21

(7.5.3) Methodology details

Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3
"Electricity consumption (kWh)" × "other factors: electricity emission factor (average)"
Measurement method: Calculated by multiplying the electricity consumption of leased properties by the emissions intensity per unit floor area by building use.
Emissions: 21 t-CO2

Scope 3 Category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodology details

Not applicable

Scope 3 Category 10: Processing of sold products

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodology details

Not applicable

Scope 3 Category 11: Use of sold products

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodology details

Not applicable

Scope 3 Category 12: End-of-life treatment of sold products

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

28

(7.5.3) Methodology details

Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3

"Waste weight (kg)" × "Ministry of the Environment DB_9 including transport stage"

Measurement method: Calculated by multiplying the cost of disposing of sold products by the emissions intensity in the Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3.

Emissions: 28 t-CO2

Scope 3 Category 13: Downstream leased assets

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodology details

Not applicable

Scope 3 Category 14: Franchises

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodology details

Not applicable

Scope 3 Category 15: Investments

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

1551

(7.5.3) Methodology details

Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3; GLIO (input-output table); Nikko Research Center

"Investee net sales (JPY million)" × "shareholding ratio (%)" × "emission factor by industry classification (t-CO2/JPY million)"

Measurement method: Calculated by multiplying investee net sales (after taking the equity share into account) by the emission factors published by Nikko Research Center.

Emissions: 1,551 t-CO2

Scope 3: Other (upstream)

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodology details

Not applicable

Scope 3: Other (downstream)

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodology details

Not applicable

[Fixed row]

(7.6) Provide your organization's gross global Scope 1 emissions (metric tons CO2e).

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

2

(7.6.3) Methodology details

List of calculation methods and emission factors under the calculation, reporting and disclosure system of the Act on Promotion of Global Warming Countermeasures;
other factors: "combustion of city gas"
"City gas consumption (m³)" × "city gas emission factor (t-CO2/thousand m³)"
Scope 1 emissions are calculated from the consumption of city gas used at our offices.

Measurement method: Consumption (activity data) is obtained from city gas invoices and multiplied by the emission factor.

Activity data: 0.9120 thousand m3

Emission factor: The emission factor for city gas combustion, "2.05 tCO₂/thousand Nm³," from the list of calculation methods and emission factors under the calculation, reporting and disclosure system of the Act on Promotion of Global Warming Countermeasures.

Rationale for selection: We adopted it because it is an official emission factor based on Japanese law and is therefore highly reliable.

Rationale for selection Fuels other than city gas (gasoline, diesel, kerosene, heavy fuel oil A, LPG, etc.) were not consumed during the reporting period.

Past year 1

(7.6.1) Gross global Scope 1 emissions (metric tons CO₂e)

0

(7.6.2) End date

12/30/2023

(7.6.3) Methodology details

Fuels (city gas, gasoline, diesel, kerosene, heavy fuel oil A, LPG, etc.) were not consumed during the reporting period.

[Fixed row]

(7.7) Provide your organization's gross global Scope 2 emissions (metric tons CO₂e).

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO₂e)

126

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO₂e)

43

(7.7.4) Methodology details

[Location-based]

Emission factors by electricity provider (for calculating greenhouse gas emissions of specified emitters) — FY2023 results — published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry; other factors: "electricity emission factor (average)"

"Electricity consumption (kWh)" × "average electricity emission factor (t-CO₂/kWh)"

Location-based measurement method: Calculated by multiplying the annual electricity consumption (activity data) of all offices by Japan's national average emission factor.

Activity data: 297,692 kWh

Emission factor: The national average emission factor "0.000423 t-CO₂/kWh" from "Emission factors by electricity provider (for calculating greenhouse gas emissions of specified emitters) — FY2023 results," published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry.

Rationale for selection: In accordance with the requirements of the GHG Protocol, we adopted the national average emission factor, which reflects the average electricity mix of providers, in order to compare emissions across all offices on a fair basis.

[Market-based]

Emission factors by electricity provider (for calculating greenhouse gas emissions of specified emitters) — FY2023 results — published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry; other factors; emission factors by heat supply provider; J-Credit scheme emission factors

(1) "Heat consumption (GJ)" × "average emission factor by heat supply provider (t-CO₂/GJ)"

(2) "Electricity consumption (kWh)" × "emission factor by electricity provider (t-CO₂/kWh)"

Market-based measurement method: Calculated using contractual emission factors, taking into account the volume of renewable electricity purchased.

Activity data: Electricity consumption (renewable): 202,927 kWh

Emission factor: "0 t-CO₂/kWh" is used for renewable electricity.

For non-renewable electricity, the residual mix emission factor of each electricity company is used.

Rationale for selection: In line with the GHG Protocol Scope 2 Guidance, in order to reflect emissions reduction efforts made through contracts.

Past year 1

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO₂e)

114

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO₂e)

40

(7.7.3) End date

12/30/2023

(7.7.4) Methodology details

[Location-based]

Emission factors by electricity provider (for calculating greenhouse gas emissions of specified emitters) — FY2022 results — published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry; other factors: "electricity emission factor (average)"

"Electricity consumption (kWh)" × "average electricity emission factor (t-CO₂/kWh)"

Location-based

Measurement method: Calculated by multiplying the annual electricity consumption (activity data) of all offices by Japan's national average emission factor.

Activity data: 260,953 kWh Emission factor: The national average emission factor "0.000438 t-CO₂/kWh" from "Emission factors by electricity provider (for calculating greenhouse gas emissions of specified emitters) — FY2022 results," published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry.

Rationale for selection: In accordance with the requirements of the GHG Protocol, we adopted the national average emission factor, which reflects the average electricity mix of providers, in order to compare emissions across all offices on a fair basis.

[Market-based]

Emission factors by electricity provider (for calculating greenhouse gas emissions of specified emitters) — FY2022 results — published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry; other factors; emission factors by heat supply provider; J-Credit scheme emission factors

(2) "Electricity consumption (kWh)" × "emission factor by electricity provider (t-CO₂/kWh)"

Market-based

Measurement method: Calculated using contractual emission factors, taking into account the volume of renewable electricity purchased.

Activity data: Electricity consumption (renewable): 170,154 kWh

Emission factor: "0 t-CO₂/kWh" is used for renewable electricity.

For non-renewable electricity, the residual mix emission factor of each electricity company is used.

Rationale for selection: In line with the GHG Protocol Scope 2 Guidance, in order to reflect emissions reduction efforts made through contracts.

[Fixed row]

(7.8) Provide your organization's gross global Scope 3 emissions and disclose and explain any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Selected:

☒ Relevant, calculated

(7.8.2) Emissions in the reporting year (metric tons CO₂e)

18892

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average spend-based method

(7.8.4) Proportion of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Calculated by multiplying the cost of purchased goods and services across all businesses by the emissions intensity of the input-output table (GLIO) in the Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3.

Capital goods

(7.8.1) Evaluation status

Selected:

☒ Relevant, calculated

(7.8.2) Emissions in the reporting year (metric tons CO2e)

728

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average spend-based method

(7.8.4) Proportion of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Calculated by multiplying capital investment expenditure by the emissions intensity for "information services" in the input-output table (GLIO) of the Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3.

Fuel- and energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Selected:

☒ Relevant, calculated

(7.8.2) Emissions in the reporting year (metric tons CO2e)

21

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average spend-based method

(7.8.4) Proportion of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Calculated by multiplying the purchase value of fuel and energy, excluding Scope 1 and 2, by the emissions intensity of the input-output table (GLIO) in the Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3.

Upstream transportation and distribution

(7.8.1) Evaluation status

Selected:

☒ Relevant, calculated

(7.8.2) Emissions in the reporting year (metric tons CO2e)

734

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average spend-based method

(7.8.4) Proportion of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Calculated by multiplying transportation and delivery costs across all businesses by the "purchaser" intensity in the emissions intensity database of the Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3.

Waste generated in operations

(7.8.1) Evaluation status

Selected:

☒ Relevant, calculated

(7.8.2) Emissions in the reporting year (metric tons CO2e)

9

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Waste-type-specific method

(7.8.4) Proportion of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Calculated by multiplying waste treatment costs by the emissions intensity for the "waste treatment industry" in the input-output table (GLIO) of the Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3. Emissions are calculated based on the type and weight of waste from our offices.

Business travel

(7.8.1) Evaluation status

Selected:

☒ Relevant, calculated

(7.8.2) Emissions in the reporting year (metric tons CO2e)

87

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

(7.8.4) Proportion of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Calculated by multiplying the number of employees by the per-employee emissions intensity in the Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3. This emissions intensity is estimated from national statistical data on transportation and accommodation costs for business travel.

Employee commuting

(7.8.1) Evaluation status

Selected:

☒ Relevant, calculated

(7.8.2) Emissions in the reporting year (metric tons CO2e)

75

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average spend-based method

(7.8.4) Proportion of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Calculated by multiplying total commuting expenses by the emissions intensity for "passenger rail" in the Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3.

Upstream leased assets

(7.8.1) Evaluation status

Selected:

☒ Relevant, calculated

(7.8.2) Emissions in the reporting year (metric tons CO2e)

21

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Asset-specific method

(7.8.4) Proportion of emissions calculated using data obtained from suppliers or value chain partners

(7.8.5) Please explain

Calculated based on the electricity consumption of leased offices, multiplied by the emissions intensity per unit floor area by building use in the Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3.

Downstream transportation and distribution

(7.8.1) Evaluation status

Selected:

☒ Relevant, not calculated

(7.8.5) Please explain

Information about the delivery method by which customers received products after they left our warehouse, and about the transport distance and delivery location involved, constitutes personal information. Collecting and managing this information requires individual consent from customers and, from the perspective of privacy protection, must be handled with great rigor. In our business activities it is not realistically possible to obtain individual consent from every customer for the provision and use of such data. Using data relating to customers' personal information on an uncertain basis is also inappropriate from an information management perspective. In view of these difficulties of personal data protection and data collection, we limited the calculation boundary to the range we can directly manage (transport from our own plants to warehouses and wholesalers). This prioritizes transparency of calculation and clarity as to the scope of our responsibility for information management.

From next fiscal year, however, we will proceed with calculation by determining the annual number of items shipped from our warehouses to each prefecture and multiplying by the average transport distance for each area.

Processing of sold products

(7.8.1) Evaluation status

Selected:

☒ Not relevant, explanation provided

(7.8.5) Please explain

"The products we sell are final products and are not subject to further processing by customers."

They therefore do not fall under the Scope 3 Category 10 definition of 'emissions arising when intermediate products sold are further processed by customers,' and 'We do not operate a business that leases assets to customers. Our business model consists mainly of direct sales of products and provision of services, and there are no emissions sources from assets operated under lease agreements. This therefore does not fall under the Scope 3 Category 13 definition and is excluded from the calculation boundary.'

Use of sold products

(7.8.1) Evaluation status

Selected:

☒ Not relevant, explanation provided

(7.8.5) Please explain

"The products we sell are digital content or raw materials with no emissions source, and therefore involve no energy consumption or GHG emissions at the use stage. They therefore do not fall under the Scope 3 Category 11 definition of 'emissions arising when products sold are used by customers,' and 'We do not operate a business that leases assets to customers. Our business model consists mainly of direct sales of products and provision of services, and there are no emissions sources from assets operated under lease agreements. This therefore does not fall under the Scope 3 Category 13 definition and is excluded from the calculation boundary.'"

End-of-life treatment of sold products

(7.8.1) Evaluation status

Selected:

☒ Relevant, calculated

(7.8.2) Emissions in the reporting year (metric tons CO2e)

28

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Waste-type-specific method

(7.8.4) Proportion of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Calculated by multiplying the cost of disposing of sold products by the emissions intensity in the Ministry of the Environment Supply Chain Emissions Calculation Database Ver.3.3. Emissions are calculated based on the type and weight of waste.

Downstream leased assets

(7.8.1) Evaluation status

Selected:

☒ Not relevant, explanation provided

(7.8.5) Please explain

"We do not operate a business that leases assets to customers. Our business model consists mainly of direct sales of products and provision of services, and there are no emissions sources from assets operated under lease agreements. This therefore does not fall under the Scope 3 Category 13 definition and is excluded from the calculation boundary."

Franchises

(7.8.1) Evaluation status

Selected:

☒ Not relevant, explanation provided

(7.8.5) Please explain

"We do not operate a franchise business. There are no emissions sources from franchisees under franchise agreements, so this does not fall under the Scope 3 Category 14 definition and is excluded from the calculation boundary."

Investments

(7.8.1) Evaluation status

Selected:

☒ Relevant, calculated

(7.8.2) Emissions in the reporting year (metric tons CO2e)

1551

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Investment-specific method

(7.8.4) Proportion of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Calculated by multiplying investee net sales (after taking the shareholding ratio into account) by the emission factors by industry classification published by Nikko Research Center.

Other (upstream)

(7.8.1) Evaluation status

Selected:

☒ Not relevant, explanation provided

(7.8.5) Please explain

No significant emissions sources not covered by the existing categories have been identified in the upstream value chain.

Other (downstream)

(7.8.1) Evaluation status

Selected:

☒ Not relevant, explanation provided

(7.8.5) Please explain

No significant emissions sources not covered by the existing categories have been identified in the downstream value chain.

[Fixed row]

(7.8.1) Disclose or restate your organization's Scope 3 emissions data for past years.

Past year 1

(7.8.1.1) End date

12/30/2023

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

9793

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

127

(7.8.1.4) Scope 3: Fuel- and energy-related activities (not included in Scope 1 or 2) (metric tons CO2e)

6

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

162

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

0

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

55

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

52

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

0

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

0

(7.8.1.13) Scope 3: End-of-life treatment of sold products (metric tons CO2e)

6

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comments

FY2023 Scope 3 emissions were calculated using the same calculation methods and boundary (the nine companies of the consolidated accounting group) as for FY2024.

Because Category 8 (upstream leased assets) and Category 15 (investments) were newly added to the calculation boundary from FY2024, FY2023 emissions for both are reported as "0."

For the other categories, emissions are reported as "0" because activity data is zero or their relevance to our business is low.

However, for Scope 3 Category 9, downstream transportation and distribution, from FY2026 we will proceed with calculation by determining the annual number of items shipped from our warehouses to each prefecture and multiplying by the average transport distance for each area.

[Fixed row]

(7.9) Provide the verification/assurance status of your reported emissions.

	Verification/assurance status
Scope 1	<i>Selected:</i> ☒ Third-party verification/assurance under way

	Verification/assurance status
Scope 2 (location-based or market-based)	<i>Selected:</i> ☒ Third-party verification/assurance under way
Scope 3	<i>Selected:</i> ☒ Third-party verification/assurance under way

[Fixed row]

(7.9.1) Provide details of the verification/assurance carried out for your Scope 1 emissions and attach the relevant report.

Row 1

(7.9.1.1) Verification/assurance cycle

Selected:

☒ Annual process

(7.9.1.2) Status of verification/assurance in the reporting year

Selected:

☒ Complete

(7.9.1.3) Type of verification/assurance

Selected:

☒ Limited assurance

(7.9.1.4) Attach the statement

Independent Third-Party Assurance Report.pdf

(7.9.1.5) Page/section

The third-party verification report sets out the verification of Scope 1 emissions, and its conclusion states that "nothing has come to our attention that causes us to believe that it has not been prepared, in all material respects, in accordance with the criteria established by the organization."

(7.9.1.6) Relevant verification standard

Selected:

☒ ISO14064-3

(7.9.1.7) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.2) Provide details of the verification/assurance carried out for your Scope 2 emissions and attach the relevant report.

Row 1

(7.9.2.1) Scope 2 approach

Selected:

Scope 2, location-based

(7.9.2.2) Verification/assurance cycle

Selected:

☒ Annual process

(7.9.2.3) Status of verification/assurance in the reporting year

Selected:

☒ Complete

(7.9.2.4) Type of verification/assurance

Selected:

☒ Limited assurance

(7.9.2.5) Attach the statement

Independent Third-Party Assurance Report.pdf

(7.9.2.6) Page/section

The report sets out the verification of Scope 2 emissions (location-based) and expresses a "limited assurance" conclusion.

(7.9.2.7) Relevant verification standard

Selected:

☒ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.2.1) Scope 2 approach

Selected:

☒ Scope 2, market-based

(7.9.2.2) Verification/assurance cycle

Selected:

☒ Annual process

(7.9.2.3) Status of verification/assurance in the reporting year

Selected:

☒ Complete

(7.9.2.4) Type of verification/assurance

Selected:

☒ Limited assurance

(7.9.2.5) Attach the statement

Independent Third-Party Assurance Report (with J-Credit certificate).pdf

(7.9.2.6) Page/section

The report sets out the verification of Scope 2 emissions (market-based) and expresses a "limited assurance" conclusion.

(7.9.2.7) Relevant verification standard

Selected:

☒ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.3) Provide details of the verification/assurance carried out for your Scope 3 emissions and attach the relevant report.

Row 1

(7.9.3.1) Scope 3 categories

Select all that apply

☒ Scope 3: Business travel

☒ Scope 3: Upstream leased assets

- ☒ Scope 3: Investments
- ☒ Scope 3: Capital goods
- ☒ Scope 3: Employee commuting
- ☒ Scope 3: End-of-life treatment of sold products

- ☒ Scope 3: Waste generated in operations
- ☒ Scope 3: Upstream transportation and distribution
- ☒ Scope 3: Purchased goods and services
- ☒ Scope 3: Fuel- and energy-related activities (not included in Scope 1 or 2)

(7.9.3.2) Verification/assurance cycle

Selected:

- ☒ Annual process

(7.9.3.3) Status of verification/assurance in the reporting year

Selected:

- ☒ Complete

(7.9.3.4) Type of verification/assurance

Selected:

- ☒ Limited assurance

(7.9.3.5) Attach the statement

Independent Third-Party Assurance Report.pdf

(7.9.3.6) Page/section

The third-party verification report sets out the verification of Scope 3 emissions (Categories 1, 2, 3, 4, 5, 6, 7, 8, 12 and 15) and expresses a "limited assurance" conclusion. This ensures the reliability of the calculated Scope 3 emissions.

(7.9.3.7) Relevant verification standard

Selected:

- ☒ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.10) How did your gross global emissions (Scope 1 + 2 combined) in the reporting year change compared with the previous year?

Selected:

☒ Increased

(7.10.1) Identify the reasons for the change in your gross global emissions (Scope 1 and 2 combined) and, for each reason, indicate how emissions changed compared with the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO₂e)

13.9

(7.10.1.2) Direction of change in emissions

Selected:

☒ Decreased

(7.10.1.3) Emissions (percentage)

34.75

(7.10.1.4) Please explain the calculation

The increase in renewable energy consumption was a factor that curbed the increase in emissions.

FY2024 renewable energy consumption: 202,927 kWh

FY2023 renewable energy consumption: 170,154 kWh

Decrease in emissions associated with the increase in renewable energy: $202,927 - 170,154 = 32,773$ kWh

$(32,773 / 170,154) \times 100\% = 19.3\%$

$32,773 \text{ kWh} \times 0.000423 = 13.9 \text{ tCO}_2$

$(13.9 / 40) \times 100\% = 34.75\%$

FY2024 renewable energy consumption (202,927 kWh) increased by 32,773 kWh from FY2023 (170,154 kWh).

This increase corresponds to an emissions reduction of 13.9 t-CO₂ calculated using the emission factor of 0.000423 tCO₂/kWh.

This reduction contributed a 34.75% decrease relative to FY2023 Scope 1+2 emissions of 40 tCO₂.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Selected:

☒ No change

(7.10.1.3) Emissions (percentage)

0

(7.10.1.4) Please explain the calculation

No other emissions reduction activities affecting GHG emissions were carried out in the reporting year.

Divestment

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Selected:

☒ No change

(7.10.1.3) Emissions (percentage)

0

(7.10.1.4) Please explain the calculation

There was no change in emissions due to the sale of a business in the reporting year.

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Selected:

☒ No change

(7.10.1.3) Emissions (percentage)

0

(7.10.1.4) Please explain the calculation

There was no change in emissions due to the acquisition of a business in the reporting year.

Mergers

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Selected:

☒ No change

(7.10.1.3) Emissions (percentage)

0

(7.10.1.4) Please explain the calculation

There was no change in emissions due to a merger with another company in the reporting year.

Change in output

(7.10.1.1) Change in emissions (metric tons CO₂e)

18.9

(7.10.1.2) Direction of change in emissions

Selected:

☒ Increased

(7.10.1.3) Emissions (percentage)

47.25

(7.10.1.4) Please explain the calculation

Total Scope 1+2 emissions in 2024 (market-based) were 45 tCO₂, an increase of 5 tCO₂ from 40 tCO₂ in 2023.

Had renewable energy consumption not increased, emissions would have increased by 18.9 tCO₂.

This increase is mainly attributable to increases in Scope 1 city gas consumption and Scope 2 electricity consumption.

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Selected:

☒ No change

(7.10.1.3) Emissions (percentage)

0

(7.10.1.4) Please explain the calculation

Changes in emission factors did affect emissions, but the effect was small compared with changes in activity data due to business expansion and was not a major driver of variation, so it is not calculated here as a separate change.

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Selected:

☒ No change

(7.10.1.3) Emissions (percentage)

0

(7.10.1.4) Please explain the calculation

There was no change in the emissions calculation boundary in the reporting year.

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Selected:

☒ No change

(7.10.1.3) Emissions (percentage)

0

(7.10.1.4) Please explain the calculation

No change in emissions due to changes in physical operating conditions occurred in the reporting year.

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Selected:

☒ No change

(7.10.1.3) Emissions (percentage)

0

(7.10.1.4) Please explain the calculation

All year-on-year changes in emissions are identified as increases in activity data due to business expansion, so there are no changes from unidentified activities.

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Selected:

☒ No change

(7.10.1.3) Emissions (percentage)

0

(7.10.1.4) Please explain the calculation

There were no changes in emissions in the reporting year due to other factors not covered by the items above.

[Fixed row]

(7.10.2) Are the emissions performance calculations in 7.10 and 7.10.1 based on the location-based or the market-based Scope 2 emissions figure?

Selected:

☒ Market-based

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Selected:

☒ No

(7.15) Do you break down your Scope 1 emissions by greenhouse gas type?

Selected:

☒ Yes

(7.15.1) Break down your gross global Scope 1 emissions by greenhouse gas type and state the source of each global warming potential (GWP) used.

Row 1

(7.15.1.1) GHG

Selected:

☒ CO2

(7.15.1.2) Scope 1 emissions (metric tons CO2e)

2

(7.15.1.3) GWP reference

Selected:

☒ Other, please specify:

Our emissions calculations use the emission factors of the calculation, reporting and disclosure system under Japan's "Act on Promotion of Global Warming Countermeasures," and these emission factors are set in accordance with the IPCC GWP values.

Row 2

(7.15.1.1) GHG

Selected:

☒ CH4

(7.15.1.2) Scope 1 emissions (metric tons CO2e)

0

(7.15.1.3) GWP reference

Selected:

☒ Other, please specify:

There is no emissions source for this greenhouse gas in our business activities, so emissions are zero. No GWP is therefore used.

Row 3

(7.15.1.1) GHG

Selected:

☒ N2O

(7.15.1.2) Scope 1 emissions (metric tons CO2e)

0

(7.15.1.3) GWP reference

Selected:

☒ Other, please specify:

There is no emissions source for this greenhouse gas in our business activities, so emissions are zero. No GWP is therefore used.

Row 4

(7.15.1.1) GHG

Selected:

☒ HFCs

(7.15.1.2) Scope 1 emissions (metric tons CO2e)

0

(7.15.1.3) GWP reference

Selected:

☒ Other, please specify:

There is no emissions source for this greenhouse gas in our business activities, so emissions are zero. No GWP is therefore used.

Row 5

(7.15.1.1) GHG

Selected:

☒ PFCs

(7.15.1.2) Scope 1 emissions (metric tons CO₂e)

0

(7.15.1.3) GWP reference

Selected:

☒ Other, please specify:

There is no emissions source for this greenhouse gas in our business activities, so emissions are zero. No GWP is therefore used.

Row 6

(7.15.1.1) GHG

Selected:

☒ SF₆

(7.15.1.2) Scope 1 emissions (metric tons CO₂e)

0

(7.15.1.3) GWP reference

Selected:

☒ Other, please specify:

There is no emissions source for this greenhouse gas in our business activities, so emissions are zero. No GWP is therefore used.

Row 7

(7.15.1.1) GHG

Selected:

☒ NF3

(7.15.1.2) Scope 1 emissions (metric tons CO2e)

0

(7.15.1.3) GWP reference

Selected:

☒ Other, please specify:

There is no emissions source for this greenhouse gas in our business activities, so emissions are zero. No GWP is therefore used.

[Add row]

(7.16) Break down your Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Japan	2	126	43

[Fixed row]

(7.17) Indicate which breakdowns of your gross global Scope 1 emissions you are able to provide.

Select all that apply

- ☒ By business division
- ☒ By facility

(7.17.1) Break down your gross global Scope 1 emissions by business division.

	Business division	Scope 1 emissions (metric tons CO2e)
Row 1	Mobile Services Division	0.2
Row 2	Financial Services Division	1.8

[Add row]

(7.17.2) Break down your gross global Scope 1 emissions by facility.

Row 1

(7.17.2.1) Facility

4F-5F Setagaya Business Square Hills, 4-10-5 Yoga, Setagaya-ku, Tokyo

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

0

(7.17.2.3) Latitude

35.627

(7.17.2.4) Longitude

139.631

Row 2

(7.17.2.1) Facility

8F Sun Towers Building B, 2-11-23 Sangenjaya, Setagaya-ku, Tokyo

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

0.2

(7.17.2.3) Latitude

35.644

(7.17.2.4) Longitude

139.67

Row 3

(7.17.2.1) Facility

6F Ichigo Shibuya Udagawacho Building, 10-2 Udagawacho, Shibuya-ku, Tokyo

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

0

(7.17.2.3) Latitude

35.662

(7.17.2.4) Longitude

139.696

Row 4

(7.17.2.1) Facility

20F and 24F Setagaya Business Square Tower, 4-10-1 Yoga, Setagaya-ku, Tokyo

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

0

(7.17.2.3) Latitude

35.627

(7.17.2.4) Longitude

139.631

Row 5

(7.17.2.1) Facility

FORUM 302, 2-9-62 Yuigahama, Kamakura-shi, Kanagawa

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

0

(7.17.2.3) Latitude

35.315

(7.17.2.4) Longitude

139.549

Row 6

(7.17.2.1) Facility

4F COCON Karasuma, 620 Suiginyacho, Karasuma-dori Shijo-sagaru, Shimogyo-ku, Kyoto-shi, Kyoto

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

0

(7.17.2.3) Latitude

35.003

(7.17.2.4) Longitude

135.759

Row 7

(7.17.2.1) Facility

SHIBUYA Tower 21, 1-1 Sakuragaoka, Shibuya-ku, Tokyo

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

0

(7.17.2.3) Latitude

35.657

(7.17.2.4) Longitude

139.702

Row 8

(7.17.2.1) Facility

7F Kotobuki Park Building, 1-20-8 Dogenzaka, Shibuya-ku, Tokyo

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

1.8

(7.17.2.3) Latitude

35.657

(7.17.2.4) Longitude

139.697

[Add row]

(7.20) Indicate which breakdowns of your gross global Scope 2 emissions you are able to provide.

Select all that apply

☒ By business division

☒ By facility

(7.20.1) Break down your gross global Scope 2 emissions by business division.

	Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	Mobile Services Division	119	41
Row 2	Financial Services Division	7	2

[Add row]

(7.20.2) Break down your gross global Scope 2 emissions by facility.

Row 1

(7.20.2.1) Facility

4F-5F Setagaya Business Square Hills, 4-10-5 Yoga, Setagaya-ku, Tokyo

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

5

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 2

(7.20.2.1) Facility

8F Sun Towers Building B, 2-11-23 Sangenjaya, Setagaya-ku, Tokyo

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

25

Row 3

(7.20.2.1) Facility

6F Ichigo Shibuya Udagawacho Building, 10-2 Udagawacho, Shibuya-ku, Tokyo

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

3

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 4

(7.20.2.1) Facility

20F and 24F Setagaya Business Square Tower, 4-10-1 Yoga, Setagaya-ku, Tokyo

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

12

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

2

Row 5

(7.20.2.1) Facility

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

2

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

2

Row 6

(7.20.2.1) Facility

4F COCON Karasuma, 620 Suigin-yacho, Karasuma-dori Shijo-sagaru, Shimogyo-ku, Kyoto-shi, Kyoto

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

12

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

12

Row 7

(7.20.2.1) Facility

SHIBUYA Tower 21, 1-1 Sakuragaoka, Shibuya-ku, Tokyo

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

66

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 8

(7.20.2.1) Facility

7F Kotobuki Park Building, 1-20-8 Dogenzaka, Shibuya-ku, Tokyo

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

2

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

2

[Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between the consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

2

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

126

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

43

(7.22.4) Please explain

Our consolidated accounting group consists of the parent company, CERES INC., and its eight consolidated subsidiaries. The group is divided into two main business divisions: the Mobile Services business and the Financial Services business. The Mobile Services business includes CERES INC. (non-consolidated) as well as the subsidiaries Yumemi Inc. and studio15 Inc., and Deanna Inc., Bacchus Inc. and Salus Inc., which operate from the same offices as Ceres.

<Ceres head office (formerly Yoga, now Shibuya)>

The emissions of Ceres (non-consolidated) and of Deanna, Bacchus and Salus are calculated on a consolidated basis.

Activity data at the former office (Yoga) was

Scope 1 emissions 0 t-CO₂,

Scope 2 emissions (location-based) 12 t-CO₂,

Scope 2 emissions (market-based) 2 t-CO₂.

Activity data after relocation to the new office (Shibuya) was

Scope 1 emissions 0 t-CO₂,

Scope 2 emissions (location-based) 66 t-CO₂,

Scope 2 emissions (market-based) 0 t-CO₂.

<Yumemi Inc.> Yumemi operates from three offices, in Tokyo, Kamakura and Kyoto.

Total emissions are

Scope 1 emissions 0.2 t-CO₂,

Scope 2 emissions (location-based) 38 t-CO₂,

Scope 2 emissions (market-based) 39 t-CO₂.

<studio15>

Activity data at the former office (Shibuya) was

Scope 1 emissions 0 t-CO₂,

Scope 2 emissions (location-based) 3 t-CO₂,

Scope 2 emissions (market-based) 0 t-CO₂.

The Financial Services business includes the subsidiaries Laboru Inc., Mercury Inc. and Apollo Capital Inc.

<Laboru>

Scope 1 emissions 1.8 t-CO₂,

Scope 2 emissions (location-based) 2 t-CO₂,

Laboru operates from an independent office, with Scope 1 emissions of 1.8 t-CO₂, Scope 2 emissions (location-based) of 2 t-CO₂, and Scope 2 emissions (market-based) of 2 t-CO₂.

<Mercury and Apollo Capital>

Because they operate from the same location as the Ceres head office, their emissions are calculated on a consolidated basis with those of Ceres.

Adding together the emissions of all of these consolidated subsidiaries, total emissions for the consolidated accounting group as a whole are

Scope 1: 2 t-CO₂,
Scope 2 (location-based): 126 t-CO₂,
Scope 2 (market-based): 43 t-CO₂.

All other entities

(7.22.1) Scope 1 emissions (metric tons CO₂e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO₂e)

0

(7.22.3) Scope 2, market-based emissions (metric tons CO₂e)

0

(7.22.4) Please explain

bitbank, Inc., an equity-method affiliate in our annual financial reporting, falls under "all other entities."

However, in accordance with the CDP disclosure requirements, it is not included in the calculation boundary for Scope 1 and Scope 2 emissions. Emissions in this section are therefore all reported as zero. Note that we judged our investment in bitbank, Inc. to be relevant to our business activities and have calculated it under Scope 3 Category 15 (investments), recording emissions of 1,551 t-CO₂.

[Fixed row]

(7.23) Are you able to break down the emissions data of the subsidiaries included in your CDP response?

Selected:

☒ Yes

(7.23.1) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Row 1

(7.23.1.1) Subsidiary name

Yumemi Inc.

(7.23.1.2) Primary activity

Selected:

☒ IT services

(7.23.1.3) Select the unique identifiers you are able to provide for this subsidiary

Select all that apply

☒ No unique identifier available

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0.2

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

38

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

39

(7.23.1.15) Comments

Within the Mobile Services business, Yumemi Inc. is mainly engaged in the development of smartphone applications and web services. It operates from three offices, in Tokyo, Kamakura and Kyoto, and the figures given are the combined emissions of these sites.

Row 2

(7.23.1.1) Subsidiary name

Mercury Inc.

(7.23.1.2) Primary activity

Selected:

☒ Other financial services

(7.23.1.3) Select the unique identifiers you are able to provide for this subsidiary

Select all that apply

☒ No unique identifier available

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

5

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0

(7.23.1.15) Comments

Within the Financial Services business, Mercury Inc. mainly operates a crypto-asset sales business. Its emissions are calculated from the electricity used; because it procures renewable electricity, the market-based figure is calculated with an emission factor of zero.

Row 3

(7.23.1.1) Subsidiary name

studio15 Inc.

(7.23.1.2) Primary activity

Selected:

☒ Marketing

(7.23.1.3) Select the unique identifiers you are able to provide for this subsidiary

Select all that apply

☒ No unique identifier available

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

3

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0

(7.23.1.15) Comments

Within the Mobile Services business, studio15 Inc. operates an influencer marketing business.

From January to September 2024 it operated from an independent office (Ichigo Shibuya Udagawacho Building), and the emissions for this period are given here; because it procures renewable electricity, the market-based figure is calculated with an emission factor of zero. It subsequently relocated to the same office as its parent company, CERES INC.

Row 4

(7.23.1.1) Subsidiary name

Laboru Inc.

(7.23.1.2) Primary activity

Selected:

☒ Other financial services

(7.23.1.3) Select the unique identifiers you are able to provide for this subsidiary

Select all that apply

☒ No unique identifier available

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

1.8

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

2

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

2

(7.23.1.15) Comments

Within the Financial Services business, Laboru Inc. provides online factoring services.

It operates from an office separate from the parent company (Kotobuki Park Building), and the Scope 1 and Scope 2 emissions given are those of that site.

Row 5

(7.23.1.1) Subsidiary name

Deanna Inc.

(7.23.1.2) Primary activity

Selected:

☒ Personal care products and household goods

(7.23.1.3) Select the unique identifiers you are able to provide for this subsidiary

Select all that apply

☒ No unique identifier available

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

0

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0

(7.23.1.15) Comments

Within the Mobile Services business, Deanna Inc. operates a D2C business.

It operates from the same office as its parent company, CERES INC., and its emissions are calculated on a consolidated basis with those of Ceres.

In this item, Deanna's individual emissions are reported as zero.

Row 6

(7.23.1.1) Subsidiary name

Bacchus Inc.

(7.23.1.2) Primary activity

Selected:

☒ Personal care products and household goods

(7.23.1.3) Select the unique identifiers you are able to provide for this subsidiary

Select all that apply

☒ No unique identifier available

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

0

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0

(7.23.1.15) Comments

Within the Mobile Services business, Bacchus Inc. operates a D2C business.

It operates from the same office as its parent company, CERES INC., and its emissions are calculated on a consolidated basis with those of Ceres.

In this item, Bacchus's individual emissions are reported as zero.

Row 7

(7.23.1.1) Subsidiary name

Salus Inc.

(7.23.1.2) Primary activity

Selected:

☒ Healthcare services

(7.23.1.3) Select the unique identifiers you are able to provide for this subsidiary

Select all that apply

☒ No unique identifier available

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

0

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0

(7.23.1.15) Comments

Within the Mobile Services business, Salus Inc. provides healthcare services.

It operates from the same office as its parent company, CERES INC., and its emissions are calculated on a consolidated basis with those of Ceres.

In this item, Salus's individual emissions are reported as zero.

Row 8

(7.23.1.1) Subsidiary name

Apollo Capital Inc.

(7.23.1.2) Primary activity

Selected:

☒ Asset manager

(7.23.1.3) Select the unique identifiers you are able to provide for this subsidiary

Select all that apply

☒ No unique identifier available

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

0

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0

(7.23.1.15) Comments

Within the Financial Services business, Apollo Capital Inc. makes business investments.

It operates from the same office as its parent company, CERES INC., and its emissions are calculated on a consolidated basis with those of Ceres.

In this item, Apollo Capital's individual emissions are reported as zero.

[Add row]

(7.29) What percentage of your operating spend in the reporting year was on energy use?

Selected:

☒ More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook the following energy-related activities in the reporting year.
Consumption of fuel (excluding feedstocks)	<i>Selected:</i> ☒ Yes
Consumption of purchased or acquired electricity	<i>Selected:</i> ☒ Yes
Consumption of purchased or acquired heat	<i>Selected:</i>

	Indicate whether your organization undertook the following energy-related activities in the reporting year.
	☒ No
Consumption of purchased or acquired steam	<i>Selected:</i> ☒ No
Consumption of purchased or acquired cooling	<i>Selected:</i> ☒ Yes
Generation of electricity, heat, steam, or cooling	<i>Selected:</i> ☒ No

[Fixed row]

(7.30.1) Report your organization's total energy consumption (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstocks)

(7.30.1.1) Heating value

Selected:

☒ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

11.4

(7.30.1.4) Total MWh (renewable + non-renewable)

11.40

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Selected:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

196.4

(7.30.1.3) MWh from non-renewable sources

101.3

(7.30.1.4) Total MWh (renewable + non-renewable)

297.70

Consumption of purchased or acquired cooling

(7.30.1.1) Heating value

Selected:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

9

(7.30.1.4) Total MWh (renewable + non-renewable)

9.00

Total energy consumption

(7.30.1.1) Heating value

Selected:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

196.4

(7.30.1.3) MWh from non-renewable sources

121.7

(7.30.1.4) Total MWh (renewable + non-renewable)

318.10

[Fixed row]

(7.30.6) Select the uses of the fuel consumed by your organization.

	Indicate whether your organization undertakes activities for this energy use
Consumption of fuel for the generation of electricity	<i>Selected:</i> ☒ No

	Indicate whether your organization undertakes activities for this energy use
Consumption of fuel for the generation of heat	<i>Selected:</i> ☒ Yes
Consumption of fuel for the generation of steam	<i>Selected:</i> ☒ No
Consumption of fuel for the generation of cooling	<i>Selected:</i> ☒ Yes
Consumption of fuel for co-generation or tri-generation	<i>Selected:</i> ☒ No

[Fixed row]

(7.30.7) Report the amount of fuel consumed by your organization (excluding feedstocks) in MWh by fuel type.

Sustainable biomass

(7.30.7.1) Heating value

Selected:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel consumed by the organization (MWh)

0

(7.30.7.4) Fuel consumed for self-generation of heat (MWh)

0

(7.30.7.6) Fuel consumed for self-generation of cooling (MWh)

0

(7.30.7.8) Comments

We do not use sustainable biomass as a fuel.

Other biomass

(7.30.7.1) Heating value

Selected:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel consumed by the organization (MWh)

0

(7.30.7.4) Fuel consumed for self-generation of heat (MWh)

0

(7.30.7.6) Fuel consumed for self-generation of cooling (MWh)

0

(7.30.7.8) Comments

We do not use other biomass as a fuel.

Other renewable fuels (e.g., renewable hydrogen)

(7.30.7.1) Heating value

Selected:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel consumed by the organization (MWh)

0

(7.30.7.4) Fuel consumed for self-generation of heat (MWh)

0

(7.30.7.6) Fuel consumed for self-generation of cooling (MWh)

0

(7.30.7.8) Comments

We do not use other renewable fuels as a fuel.

Coal

(7.30.7.1) Heating value

Selected:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel consumed by the organization (MWh)

0

(7.30.7.4) Fuel consumed for self-generation of heat (MWh)

0

(7.30.7.6) Fuel consumed for self-generation of cooling (MWh)

0

(7.30.7.8) Comments

We do not use coal as a fuel.

Oil

(7.30.7.1) Heating value

Selected:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel consumed by the organization (MWh)

0

(7.30.7.4) Fuel consumed for self-generation of heat (MWh)

0

(7.30.7.6) Fuel consumed for self-generation of cooling (MWh)

0

(7.30.7.8) Comments

We do not use oil as a fuel.

Natural gas

(7.30.7.1) Heating value

Selected:

☒ LHV

(7.30.7.2) Total fuel consumed by the organization (MWh)

(7.30.7.4) Fuel consumed for self-generation of heat (MWh)

0

(7.30.7.6) Fuel consumed for self-generation of cooling (MWh)

0

(7.30.7.8) Comments

Our only fuel consumption is city gas used for water heating and similar purposes at Laboru Inc. and the Yumemi Inc. Tokyo office.

In Japan, emission factors based on the lower heating value (LHV) are generally used in the GHG calculation, reporting and disclosure system, so we selected LHV.

Other non-renewable fuels (e.g., non-renewable hydrogen)**(7.30.7.1) Heating value**

Selected:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel consumed by the organization (MWh)

0

(7.30.7.4) Fuel consumed for self-generation of heat (MWh)

0

(7.30.7.6) Fuel consumed for self-generation of cooling (MWh)

0

(7.30.7.8) Comments

We do not use other non-renewable fuels as a fuel.

Total fuel

(7.30.7.1) Heating value

Selected:

☒ LHV

(7.30.7.2) Total fuel consumed by the organization (MWh)

11.4

(7.30.7.4) Fuel consumed for self-generation of heat (MWh)

0

(7.30.7.6) Fuel consumed for self-generation of cooling (MWh)

0

(7.30.7.8) Comments

Because total fuel consumption consists solely of natural gas (city gas) consumption, the total is also 11.4 MWh.

As for natural gas, LHV is selected as the heating value.

[Fixed row]

(7.30.14) For the market-based Scope 2 figure reported in 7.7, specify the amount of electricity, heat, steam, and cooling calculated using a zero or near-zero emission factor.

Row 1

(7.30.14.1) Country/area

Selected:

☒ Japan

(7.30.14.2) Sourcing method

Selected:

☒ Retail supply contract with an electricity supplier (retail green electricity)

(7.30.14.3) Energy carrier

Selected:

☒ Electricity

(7.30.14.4) Type of low-carbon technology

Selected:

☒ Renewable energy mix, please specify:

- Tokyu Power Supply – a plan mainly combining solar power and storage batteries.
- TEPCO Energy Partner – procured from a diverse range of renewable energy sources including hydro, solar, wind and biomass.
- ENEOS – renewable energy procured from biomass, hydro and other sources.

(Breakdown)

Tokyu Power Supply: 39,831 kWh

TEPCO Energy Partner: 156,652 kWh

ENEOS : 6,444Kwh

(7.30.14.5) Low-carbon energy consumed through the selected sourcing method in the reporting year (MWh)

202.93

(7.30.14.6) Tracking method

Selected:

☒ Contract

(7.30.14.7) Country/area of the low-carbon energy source (generation) or energy attribute

Selected:

☒ Japan

(7.30.14.8) Are you able to report the commissioning or repowering year of the generating facility?

Selected:

☒ No

(7.30.14.10) Comments

We procure renewable electricity through retail supply contracts with multiple electricity suppliers.

This electricity consists of a mix of various low-carbon technologies, based on the renewable energy plans offered by each supplier.

Specific information on the commissioning year of individual generating facilities cannot be identified given the nature of retail supply contracts, so it cannot be reported.

[Add row]

(7.30.16) Provide a country/area breakdown of your consumption of electricity/heat/steam/cooling in the reporting year.

Japan

(7.30.16.1) Consumption of purchased electricity (MWh)

297.7

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

9

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

11.4

(7.30.16.6) Total consumption of electricity/steam/cooling energy (MWh)

318.10

[Fixed row]

(7.45) Provide details of your gross global Scope 1 and 2 emissions in the reporting year in metric tons CO2e per unit of currency of total revenue, and provide any additional intensity metrics applicable to your organization's business.

Row 1

(7.45.1) Intensity figure

0.001624

(7.45.2) Metric numerator (gross global combined Scope 1 and 2 emissions, metric tons CO2e)

45

(7.45.3) Metric denominator

Selected:

☒ Total revenue

(7.45.4) Metric denominator: total per unit

27706

(7.45.5) Scope 2 figure used

Selected:

☒ Market-based

(7.45.6) Percentage change from the previous year (%)

(7.45.7) Direction of change

Selected:
☒ Decreased

(7.45.8) Reason for the change

Select all that apply
Change in renewable energy consumption
Change in output
☒ Change in revenue

(7.45.9) Please explain

The emissions intensity (CO₂/revenue) in the reporting year decreased by approximately 2.3% compared with the previous fiscal year. This reflects the fact that the rate of increase in emissions associated with business expansion was lower than the rate of revenue growth, together with the increase in renewable energy consumption. Specifically, while FY2024 net sales increased from the previous year, the rate of increase in combined market-based Scope 1 and Scope 2 emissions was lower than the rate of increase in net sales, so emissions efficiency per unit of revenue improved. In addition, renewable energy consumption was

FY2023: 170,154 kWh
FY2024: 202,927 kWh
— an increase in renewable electricity of approximately 19.3%.
We recognize this improvement in intensity as evidence that emissions efficiency improved at the same time as business growth.

FY2023 net sales: 24,070 (JPY million)
FY2023 Scope 1+2 emissions: 40 t-CO₂
FY2023 emissions intensity per unit of revenue: 0.001662
[Add row]

(7.52) Provide any additional climate-related metrics relevant to your organization's business.

Row 1

(7.52.1) Details

Selected:

☒ Energy use

(7.52.2) Metric value

0.01

(7.52.3) Metric numerator

318.1MWh

(7.52.4) Metric denominator (intensity only)

Metric denominator (intensity only): total revenue Total per metric denominator: JPY 27,706 million

(7.52.5) Percentage change from the previous year (%)

6.5

(7.52.6) Direction of change

Selected:

☒ Increased

(7.52.7) Please explain

Total energy use in 2024 was 318.1 MWh and net sales were JPY 27,706 million.

Total energy use in 2023 was 261.0 MWh and net sales were JPY 24,070 million.

Energy intensity was 0.0115 MWh per JPY million in 2024 and 0.0108 MWh per JPY million in 2023, an increase of approximately 6.5% year on year.

[Add row]

(7.53) Did you have any emissions targets that were active in the reporting year?

Select all that apply

☒ Absolute target

(7.53.1) Provide details of your absolute emissions targets and your progress against them.

Row 1

(7.53.1.1) Target reference number

Selected:

☒ Abs 1

(7.53.1.2) Is this a science-based target?

Selected:

☒ Yes, we consider this to be a science-based target and we have committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Selected:

☒ Aligned with a 1.5°C target

(7.53.1.5) Target setting date

12/31/2023

(7.53.1.6) Target coverage

Selected:

☒ Organization-wide

(7.53.1.7) Greenhouse gases covered by the target

Select all that apply

☒ Carbon dioxide (CO2)

(7.53.1.8) Scope 3 categories

Select all that apply

- ☒ Scope 1
- ☒ Scope 2
- ☒ Scope 3

(7.53.1.9) Scope 2 accounting method

Selected:

- ☒ Market-based

(7.53.1.10) Scope 3 categories

Select all that apply

- | | |
|---|---|
| ☒ Scope 3, Category 6 — Business travel | ☒ Scope 3, Category 4 — Upstream transportation and distribution |
| ☒ Scope 3, Category 2 — Capital goods | ☒ Scope 3, Category 5 — Waste generated in operations |
| ☒ Scope 3, Category 15 — Investments | ☒ Scope 3, Category 12 — End-of-life treatment of sold products |
| ☒ Scope 3, Category 7 — Employee commuting | ☒ Scope 3, Category 1 — Purchased goods and services |
| ☒ Scope 3, Category 8 — Upstream leased assets in Scope 1 or 2) | ☒ Scope 3, Category 3 — Fuel- and energy-related activities (not included |

(7.53.1.11) Base year end date

12/30/2024

(7.53.1.12) Base year Scope 1 emissions covered by the target (metric tons CO2e)

2

(7.53.1.13) Base year Scope 2 emissions covered by the target (metric tons CO2e)

43

(7.53.1.14) Scope 3 Category 1 base year: emissions from purchased goods and services covered by the target (metric tons CO2e)

18892

(7.53.1.15) Scope 3 Category 2 base year: emissions from capital goods covered by the target (metric tons CO2e)

728

(7.53.1.16) Scope 3 Category 3 base year: emissions from fuel- and energy-related activities (not included in Scope 1 or 2) covered by the target (metric tons CO2e)

21

(7.53.1.17) Scope 3 Category 4 base year: emissions from upstream transportation and distribution covered by the target (metric tons CO2e)

734

(7.53.1.18) Scope 3 Category 5 base year: emissions from waste generated in operations covered by the target (metric tons CO2e)

9

(7.53.1.19) Scope 3 Category 6 base year: emissions from business travel covered by the target (metric tons CO2e)

87

(7.53.1.20) Scope 3 Category 7 base year: emissions from employee commuting covered by the target (metric tons CO2e)

75

(7.53.1.21) Scope 3 Category 8 base year: emissions from upstream leased assets covered by the target (metric tons CO2e)

21

(7.53.1.25) Scope 3 Category 12 base year: emissions from end-of-life treatment of sold products covered by the target (metric tons CO2e)

28

(7.53.1.28) Scope 3 Category 15 base year: emissions from investments covered by the target (metric tons CO2e)

1551

(7.53.1.31) Total base year Scope 3 emissions covered by the target (metric tons CO2e)

22146.000

(7.53.1.32) Total base year emissions covered by the target across all selected scopes (metric tons CO2e)

22191.000

(7.53.1.33) Proportion of total base year Scope 1 emissions represented by the base year Scope 1 emissions covered by the target

0.01

(7.53.1.34) Proportion of total base year Scope 2 emissions represented by the base year Scope 2 emissions covered by the target

0.19

(7.53.1.35) Scope 3 Category 1 base year: proportion of total base year Scope 3 Category 1 emissions represented by emissions from purchased goods and services covered by the target: purchased goods and services (metric tons CO2e)

85.13

(7.53.1.36) Scope 3 Category 2 base year: proportion of total base year Scope 3 Category 2 emissions represented by

emissions from capital goods covered by the target: capital goods (metric tons CO2e)

3.28

(7.53.1.37) Scope 3 Category 3 base year: emissions from fuel- and energy-related activities (not included in Scope 1 or 2) covered by the target, out of total base year Scope 3 Category 3 emissions: fuel- and energy-related activities (not included in Scope 1 or 2) (metric tons CO2e)

0.09

(7.53.1.38) Scope 3 Category 4 base year: emissions from upstream transportation and distribution covered by the target, out of total base year Scope 3 Category 4 emissions: upstream transportation and distribution (metric tons CO2e)

3.31

(7.53.1.39) Scope 3 Category 5 base year: proportion of total base year Scope 3 Category 5 emissions represented by emissions from waste generated in operations covered by the target: waste generated in operations (metric tons CO2e)

0.04

(7.53.1.40) Scope 3 Category 6 base year: proportion of total base year Scope 3 Category 6 emissions represented by emissions from business travel covered by the target: business travel (metric tons CO2e)

0.39

(7.53.1.41) Scope 3 Category 7 base year: proportion of total base year Scope 3 Category 7 emissions represented by emissions from employee commuting covered by the target: employee commuting (metric tons CO2e)

0.34

(7.53.1.42) Scope 3 Category 8 base year: proportion of total base year Scope 3 Category 8 emissions represented by emissions from upstream leased assets covered by the target: upstream leased assets (metric tons CO2e)

0.09

(7.53.1.46) Scope 3 Category 12 base year: proportion of total base year Scope 3 Category 12 emissions represented by emissions from end-of-life treatment of sold products covered by the target: end-of-life treatment of sold products (metric tons CO2e)

0.13

(7.53.1.49) Scope 3 Category 15 base year: proportion of total base year Scope 3 Category 15 emissions represented by emissions from investments covered by the target: investments (metric tons CO2e)

6.99

(7.53.1.52) Proportion of total base year Scope 3 emissions represented by the base year Scope 3 emissions covered by the target (all Scope 3 categories)

99.79

(7.53.1.53) Proportion of total base year emissions across all selected scopes represented by the base year emissions covered by the target

100

(7.53.1.54) Target end date

12/30/2050

(7.53.1.55) Targeted reduction from base year (%)

100

(7.53.1.56) Total emissions at the target end date covered by the target across all selected scopes (metric tons CO2e)

0.000

(7.53.1.57) Reporting year Scope 1 emissions covered by the target (metric tons CO2e)

(7.53.1.58) Reporting year Scope 2 emissions covered by the target (metric tons CO2e)

43

(7.53.1.59) Scope 3 Category 1: reporting year emissions from purchased goods and services covered by the target (metric tons CO2e)

18892

(7.53.1.60) Scope 3 Category 2: reporting year emissions from capital goods covered by the target (metric tons CO2e)

728

(7.53.1.61) Scope 3 Category 3: reporting year fuel- and energy-related activities (not included in Scope 1 or 2) covered by the target emissions (metric tons CO2e)

21

(7.53.1.62) Scope 3 Category 4: reporting year emissions from upstream transportation and distribution covered by the target (metric tons CO2e)

734

(7.53.1.63) Scope 3 Category 5: reporting year emissions from waste generated in operations covered by the target (metric tons CO2e)

9

(7.53.1.64) Scope 3 Category 6: reporting year emissions from business travel covered by the target (metric tons CO2e)

87

(7.53.1.65) Scope 3 Category 7: reporting year emissions from employee commuting covered by the target (metric tons

CO2e)

75

(7.53.1.66) Scope 3 Category 8: reporting year emissions from upstream leased assets covered by the target (metric tons CO2e)

21

(7.53.1.70) Scope 3 Category 12: reporting year emissions from end-of-life treatment of sold products covered by the target (metric tons CO2e)

28

(7.53.1.73) Scope 3 Category 15: reporting year emissions from investments covered by the target (metric tons CO2e)

1551

(7.53.1.76) Reporting year Scope 3 emissions covered by the target (metric tons CO2e)

22146.000

(7.53.1.77) Total reporting year emissions covered by the target across all selected scopes (metric tons CO2e)

22191.000

(7.53.1.78) Land-related emissions covered by the target

Selected:

☒ No, land-related emissions are not covered (e.g., non-FLAG SBT)

(7.53.1.79) Proportion of the target achieved relative to the base year

0.00

(7.53.1.80) Target status in the reporting year

Selected:

☒ Underway

(7.53.1.82) Describe the target coverage and state any exclusions

Ceres' target covers the business activities of the entire consolidated accounting group.

In accordance with the GHG Protocol, the items excluded from the GHG emissions inventory and the reasons for exclusion are as follows.

1. Scope 3 Category 9 (downstream transportation and distribution)

Excluded because delivery data for customers in the D2C business is difficult to collect from the perspective of personal data protection.

(However, from FY2025 we will calculate it by determining the transport distance for each area and multiplying by the number of items shipped.)

2. Scope 3 Category 10 (processing of sold products) Excluded because our products sold are final products and are not processed by customers.

3. Scope 3 Category 11 (use of sold products) Excluded because our products sold are digital content or raw materials with no emissions source, so no emissions arise at the use stage.

4. Scope 3 Category 13 (downstream leased assets) Excluded because we do not operate a leasing business for customers.

5. Scope 3 Category 14 (franchises) Excluded because we do not operate a franchise business.

In addition, because our business is not primarily engaged in land-related activities such as agriculture or forestry, no emissions falling under the SBTi FLAG (Forest, Land and Agriculture) guidance are included.

(7.53.1.83) Target objective

(Objective of the target, plan for achieving it, and progress)

Based on the "Ceres Environmental Targets," we have set a net-zero target of reducing all Scope 1, 2 and 3 greenhouse gas emissions to net zero by 2050.

This target is science-based and aligned with the SBTi criteria.

In addition to this long-term target, we have set interim targets of a 100% reduction in Scope 1+2 emissions and a 25.2% reduction in Scope 3 emissions by 2030 compared with 2024. This is an "absolute target" premised strictly on emissions reduction rather than reliance on offsets or CO2 removal.

Scope 1+2: 100% reduction compared with FY2024

This will be achieved by converting 100% of the electricity used in our business activities to renewable energy.

We have already achieved a 100% renewable electricity conversion rate in FY2024 and are making steady progress toward the 2030 target. This demonstrates our firm resolve to achieve net zero.

Scope 3: 25.2% reduction compared with FY2024

The majority (99.8%) of our GHG emissions is attributable to Scope 3, and in particular to Scope 3 Category 1 of the D2C business (85.3%).

To overcome this challenge, we regard collaboration with suppliers as our most important strategy and place it at the core of our climate transition plan.

We have now begun engagement with suppliers and are advancing plans to move away from calculation based on input-output tables and to pursue more precise emissions reductions by building a mechanism for collecting primary data. The specific steps are:

- Creating and updating the supplier list

- *Formulating and contracting a Supplier Code of Conduct with environmental items aligned with our environmental policy, environmental targets and human rights policy*
 - *Prioritizing suppliers by products and services with high emissions and accelerating communication on reductions*
 - *Conducting supplier evaluation that adds ESG factors to QCD and working on strengthening engagement.*
 - *Switching to paper, certified materials, biomass plastics and biodegradable plastics toward de-plasticization*
 - *Working with suppliers to exchange information regularly on climate action, including the introduction of new technologies.*
- Through these activities we will work toward carbon neutrality not only for our own emissions but across the entire value chain.*

(7.53.1.84) Plan for achieving the target and progress made by the end of the reporting year

(Objective of the target, plan for achieving it, and progress)

Based on the "Ceres Environmental Targets," we have set a net-zero target of reducing all Scope 1, 2 and 3 greenhouse gas emissions to net zero by 2050.

This target is science-based and aligned with the SBTi criteria. In addition to this long-term target, we have set interim targets of a 100% reduction in Scope 1+2 emissions and a 25.2% reduction in Scope 3 emissions by 2030 compared with 2024.

This is an "absolute target" premised strictly on emissions reduction rather than reliance on offsets or CO2 removal.

Scope 1+2: 100% reduction compared with FY2024

This will be achieved by converting 100% of the electricity used in our business activities to renewable energy.

We have already achieved a 100% renewable electricity conversion rate in FY2024 and are making steady progress toward the 2030 target.

This demonstrates our firm resolve to achieve net zero.

Scope 3: 25.2% reduction compared with FY2024

The majority (99.8%) of our GHG emissions is attributable to Scope 3, and in particular to Scope 3 Category 1 of the D2C business (85.3%).

To overcome this challenge, we regard collaboration with suppliers as our most important strategy and place it at the core of our climate transition plan.

We have now begun engagement with suppliers and are advancing plans to move away from calculation based on input-output tables and to pursue more precise emissions reductions by building a mechanism for collecting primary data.

The specific steps are:

- *Creating and updating the supplier list*
 - *Formulating and contracting a Supplier Code of Conduct with environmental items aligned with our environmental policy, environmental targets and human rights policy*
 - *Prioritizing suppliers by products and services with high emissions and accelerating communication on reductions*
 - *Conducting supplier evaluation that adds ESG factors to QCD and working on strengthening engagement.*
 - *Switching to paper, certified materials, biomass plastics and biodegradable plastics toward de-plasticization*
 - *Working with suppliers to exchange information regularly on climate action, including the introduction of new technologies.*
- Through these activities we will work toward carbon neutrality not only for our own emissions but across the entire value chain.*

(7.53.1.85) Target set using a sectoral decarbonization approach

Selected:

☒ No

[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☒ Net-zero target

(7.54.3) Provide details of your net-zero target.

Row 1

(7.54.3.1) Target reference number

Selected:

☒ NZ1

(7.54.3.2) Target setting date

12/31/2023

(7.54.3.3) Target coverage

Selected:

☒ Organization-wide

(7.54.3.4) Targets associated with this net-zero target

Select all that apply

☒ Abs1

(7.54.3.5) Target end date for achieving net zero

12/30/2050

(7.54.3.6) Is this a science-based target?

Selected:

☒ Yes, we consider this to be a science-based target and we have committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.54.3.8) Scope 3 categories

Select all that apply

- ☒ Scope 1
- ☒ Scope 2
- ☒ Scope 3

(7.54.3.9) Greenhouse gases covered by the target

Select all that apply

- ☒ Carbon dioxide (CO2)

(7.54.3.10) Describe the target coverage and state any exclusions

Ceres' target covers the business activities of the entire consolidated accounting group.

In accordance with the GHG Protocol, the items excluded from the GHG emissions inventory and the reasons for exclusion are as follows.

- 1. Scope 3 Category 9 (downstream transportation and distribution) Excluded because delivery data for customers in the D2C business is difficult to collect from the perspective of personal data protection. (However, from FY2025 we will calculate it by determining the transport distance for each area and multiplying by the number of items shipped.)*
- 2. Scope 3 Category 10 (processing of sold products) Excluded because our products sold are final products and are not processed by customers.*
- 3. Scope 3 Category 11 (use of sold products) Excluded because our products sold are digital content or raw materials with no emissions source, so no emissions arise at the use stage.*
- 4. Scope 3 Category 13 (downstream leased assets) Excluded because we do not operate a leasing business for customers.*
- 5. Scope 3 Category 14 (franchises) Excluded because we do not operate a franchise business.*

Because our business is not primarily engaged in land-related activities such as agriculture or forestry, no emissions falling under the SBTi FLAG (Forest, Land and Agriculture) guidance are included.

(7.54.3.11) Target objective

Based on the "Ceres Environmental Targets," we have set a net-zero target of reducing all Scope 1, 2 and 3 greenhouse gas emissions to net zero by 2050.

This target is science-based and aligned with the SBTi criteria.

In addition to this long-term target, we have set interim targets of a 100% reduction in Scope 1+2 emissions and a 25.2% reduction in Scope 3 emissions by 2030 compared with 2024. This is an "absolute target" premised strictly on emissions reduction rather than reliance on offsets or CO2 removal.

Scope 1+2: 100% reduction compared with FY2024

This will be achieved by converting 100% of the electricity used in our business activities to renewable energy.

We have already achieved a 100% renewable electricity conversion rate in FY2024 and are making steady progress toward the 2030 target.

This demonstrates our firm resolve to achieve net zero.

Scope 3: 25.2% reduction compared with FY2024

The majority (99.8%) of our GHG emissions is attributable to Scope 3, and in particular to the upstream supply chain of the D2C business (85.3%).

To overcome this challenge, we regard collaboration with suppliers as our most important strategy and place it at the core of our climate transition plan.

We have now begun engagement with suppliers and are advancing plans to move away from calculation based on input-output tables and to pursue more precise emissions reductions by building a mechanism for collecting primary data.

The specific steps are:

- *Creating and updating the supplier list*
- *Environmental items with the environmental policy and environmental targets*
- *Formulating and contracting a Supplier Code of Conduct aligned with our human rights policy*
- *Prioritizing suppliers by products and services with high emissions and accelerating communication on reductions*
- *Conducting supplier evaluation that adds ESG factors to QCD and working on strengthening engagement.*
- *Switching to paper and certified materials toward de-plasticization*
- *Switching to biomass plastics and biodegradable plastics*
- *Working with suppliers to exchange information regularly on climate action, including the introduction of new technologies.*

Through these activities we will work toward carbon neutrality not only for our own emissions but across the entire value chain.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the target end date?

Selected:

☒ Yes

(7.54.3.13) Do you have plans to mitigate emissions beyond your value chain?

Selected:

☒ Yes, we already worked on this in the reporting year

(7.54.3.14) Do you intend to purchase or cancel carbon credits for neutralization or beyond value chain mitigation?

Select all that apply

☒ Yes, we plan to purchase and cancel carbon credits for beyond value chain mitigation.

☒ Yes, we plan to purchase and cancel carbon credits for neutralization at the target end date

(7.54.3.15) Planned interim targets and near-term investments for neutralization at the target end date

When we achieve our 2050 net-zero target, Ceres plans to neutralize the "residual emissions after achieving a reduction of 90% or more" through permanent carbon removal. To ensure the achievement of this target, we have planned interim targets and near-term investments as follows.

<Medium-term targets>

In our medium-term plan through 2030, we aim to reduce Scope 1 and 2 emissions by 100%.

Since joining "RE Action — Declaring 100% Renewable Energy" in 2021, we have achieved net-zero Scope 1 and 2 emissions through the purchase of J-Credits.

Our policy is to continue and achieve this initiative toward the 2030 target.

Specifically, we will switch 100% of the electricity consumed in our business activities to renewable sources, and for the remaining Scope 1 emissions (such as city gas consumption) we will consider switching to renewable heat supply or to electrification.

In this way we will concentrate on reducing emissions from our own operations to zero.

In the future we plan to shift the cost of purchasing J-Credits progressively toward investment in permanent carbon removal (such as afforestation).

(7.54.3.16) Describe the actions you are taking to mitigate emissions beyond your value chain

Ceres positions beyond value chain mitigation (BVCM) as an important action for accelerating the global net-zero transition. We plan to advance BVCM through the following specific actions.

1. Since 2009 we have carried out afforestation activities in cooperation with local communities, working on sustainable forest creation and ecosystem conservation. Aimed at simultaneously addressing "environmental problems in Inner Mongolia (preventing global warming, preventing desertification, and conserving biodiversity)" and "problems arising from the economic development of Hohhot," this activity is a concrete example of BVCM that creates a purely "beyond value chain" CO₂ sink separate from our business activities.

This initiative goes beyond mere CO₂ offsetting and also contributes to biodiversity conservation and the revitalization of local communities.

2. Contributing to the activation of a digital environmental value asset market using blockchain technology

Action: Using the blockchain technology expertise at the core of our business, we will support the activation of a market in which the "environmental value" created by projects such as forest protection and renewable energy generation is tokenized. These tokens will form a mechanism that companies and individuals can trade as highly transparent "digital environmental value assets" with reduced double-counting risk. Through our subsidiary Mercury, a crypto-asset sales business, Ceres will contribute to the development of the digital environmental value asset market, including by handling sustainability-related crypto-asset issues.

Purpose: This platform creates a flow of funds into environmental conservation projects and promotes emissions reduction and carbon removal activities beyond our value chain.

This constitutes our own distinctive sustainability strategy, in which "business activities" themselves lead to "social contribution."

3. Use of Moppy × SDGs

Action: We will raise awareness of Moppy × SDGs, offered on the point-reward site Moppy, and support users' environmental conservation activities.

Purpose: We recognize that point donation activities to NGOs/NPOs such as environmental and human rights organizations carried out through Moppy

× SDGs are applied to climate action projects outside our value chain and to investment in new environmental technologies.

This creates a mechanism whereby business growth contributes directly to global decarbonization.

We will give priority to selecting BVCM activities that contribute to the achievement of NDCs and projects with reliable third-party certification, and will contribute together with our users through Moppy SDGs.

(7.54.3.17) Target status in the reporting year

Selected:

☒ New

(7.54.3.19) Target review process

Ceres' net-zero target is managed through review processes at both the highest executive level and the supervisory level.

The Sustainability Committee, chaired by the President and Representative Director, reviews the results of the GHG emissions inventory calculation (Scope 1, 2 and 3) once a year.

In this process it evaluates progress against the target and, where there is a gap, analyzes the cause and plans corrective measures.

The results of the Sustainability Committee's review are reported regularly to the Board of Directors, which oversees the validity of the strategy for achieving the target and provides advice or instructions as necessary. This process ensures that the climate transition plan is firmly integrated into management strategy and financial planning. In order to maintain alignment with the science, we monitor the latest developments in the SBTi Net-Zero Standard and review the target as necessary. In line with our commitment to seek validation of the target by the SBTi within the next two years, we will advance the validation process and thereby increase confidence in the achievement of the target. Through this process we not only measure progress against the target but also evaluate the effectiveness of our strategy in line with the TCFD recommendations and pursue continual improvement. We will disclose our efforts toward our net-zero target to investors and other stakeholders with a high degree of transparency.

[Add row]

(7.55) Did you have any emissions reduction initiatives that were active in the reporting year? Include those in the planning and implementation phases.

Selected:

☒ Yes

(7.55.1) Provide the total number of initiatives at each stage, and for initiatives in the implementation stage provide the estimated emissions reduction (CO2e).

	Number of initiatives	Estimated annual CO2 reduction (metric tons CO2e)
Under investigation	4	[numeric entry]
To be implemented	3	22191
Implementation commenced	0	0
In implementation	2	41
Not implemented	0	[numeric entry]

[Fixed row]

(7.55.2) Provide details of the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category and initiative type

Low-carbon energy consumption

☒ Low-carbon electricity mix

(7.55.2.2) Estimated annual CO2e emissions reduction (metric tons CO2e)

41

(7.55.2.3) Scope or Scope 3 category in which the emissions reduction occurs

Select all that apply

Scope 2 (market-based)

(7.55.2.4) Voluntary/mandatory

Selected:

☒ Voluntary

(7.55.2.5) Annual monetary savings (currency as specified in 1.2)

0

(7.55.2.6) Investment required (currency as specified in 1.2)

246000

(7.55.2.7) Payback period

Selected:

☒ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Selected:

☒ 6-10 years

(7.55.2.9) Comments

Since joining "RE Action — Declaring 100% Renewable Energy" in 2021, we have achieved 100% renewable energy by reducing the Scope 2 emissions associated with our business activities to net zero through the purchase of J-Credits. This is an important step toward our 2050 net-zero target. This initiative is a cost-effective strategy that, with a relatively low investment (JPY 246,000), allows us to avoid the risk of future mandatory emissions reductions and carbon taxes and to increase the sustainability of our business. We expect this investment to be recovered within one to three years, and we will continue to contribute to achieving carbon neutrality.

41 t-CO₂, corresponding to Scope 2 (market-based: renewable electricity), was retired using J-Credits.

The 2 t-CO₂ arising from Scope 2 (market-based: heat) is not included in the above retirement, due to the validity of the certificates.

Row 2

(7.55.2.1) Initiative category and initiative type

Company policy or behavioral change

☒ Collaboration with suppliers

(7.55.2.2) Estimated annual CO2e emissions reduction (metric tons CO2e)

0

(7.55.2.3) Scope or Scope 3 category in which the emissions reduction occurs

Select all that apply

☒ Scope 3 Category 1: Purchased goods and services

(7.55.2.4) Voluntary/mandatory

Selected:

☒ Voluntary

(7.55.2.5) Annual monetary savings (currency as specified in 1.2)

0

(7.55.2.6) Investment required (currency as specified in 1.2)

10638000

(7.55.2.7) Payback period

Selected:

☒ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Selected:

☒ 16-20 years

(7.55.2.9) Comments

We have begun a plan to strengthen engagement with suppliers in order to reduce Scope 3 emissions (particularly the D2C business supply chain), which account for the majority of our GHG emissions. We are currently working on building mechanisms for collecting primary data and for strengthening communication with suppliers. This activity is essential to future decarbonization and improved resilience across the entire supply chain.

[Add row]

(7.55.3) What methods does your organization use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Selected:

☒ Internal carbon pricing

(7.55.3.2) Comments

Based on the IEA (International Energy Agency) "Net Zero by 2050" scenario, we have introduced a shadow price that forecasts future carbon prices. This internal carbon price is applied to decision-making processes on capital expenditure, product development and procurement, and encourages future carbon costs to be taken into account as a financial risk. It allows us to assess comprehensively not only short-term costs but also long-term environment-related risks and opportunities, and to justify investment in emissions reduction.

[Add row]

(7.74) Do you classify any of your products or services as low-carbon products?

Selected:

☒ Yes

(7.74.1) Specify the products or services you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Selected:

☒ Product or service

(7.74.1.2) Taxonomy used to classify the product or service as low-carbon

Selected:

☒ No taxonomy was used to classify the product or service as low-carbon

(7.74.1.3) Type of product or service

Other

☒ Other, please specify: Sustainability activity service through point donations

(7.74.1.4) Description of the product or service

Moppy SDGs: A service that allows users to donate the points they have accumulated on the point-reward site "Moppy" to organizations engaged in environmental protection.

These donation activities contribute to emissions reduction and carbon removal across society as a whole, for example through afforestation and nature conservation.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product or service?

Selected:

☒ Yes

(7.74.1.6) Method used to calculate avoided emissions

Selected:

☒ Other, please specify: Based on the amount of points donated, we estimate the contribution to the CO₂ reduction and absorption activities of the recipient organizations.

(7.74.1.7) Life cycle stages covered by the low-carbon product or service

Selected:

☒ Other, please specify: By providing funding to external environmental activities, we contribute indirectly to greenhouse gas emissions reduction

(7.74.1.8) Functional unit used

A point donation of 1 point = JPY 1

(7.74.1.9) Reference product/service or baseline scenario used

There is no reference product or service. The baseline scenario assumes that, without this service, the users' donation activity would not have occurred.

(7.74.1.10) Life cycle stages covered by the reference product/service or baseline scenario

Selected:

☒ Other, please specify: By providing funding to external environmental activities, we contribute indirectly to greenhouse gas emissions reduction

(7.74.1.11) Estimated avoided emissions relative to the reference product/service or baseline scenario (metric tons CO₂e per functional unit)

92.1

(7.74.1.12) Explain your calculation of avoided emissions, including the assumptions made

Our service is not intended to reduce emissions directly. By using the points donated by users to fund external environmental activities such as afforestation projects and renewable energy projects carried out by recipient organizations (NGOs/NPOs), it contributes indirectly to greenhouse gas emissions reduction.

During the period from January 1, 2024 to December 31, 2024, JPY 1,795,286 in donations was collected and donated to environmental protection organizations through Moppy.

It is difficult to identify precisely the causal relationship between the activities of the recipient organizations and our point donation amounts, so avoided emissions were calculated from the donation amount and the carbon tax (IEA NZE scenario), assuming USD 130 per t-CO₂ (at JPY 150 to the US dollar = JPY 19,500).

$1,795,286 / \text{JPY } 19,500 = 92.1 \text{ t-CO}_2$

(7.74.1.13) Proportion of total revenue in the reporting year generated by low-carbon products or services

0.006

Row 2

(7.74.1.1) Level of aggregation

Selected:

☒ Product or service

(7.74.1.2) Taxonomy used to classify the product or service as low-carbon

Selected:

☒ No taxonomy was used to classify the product or service as low-carbon

(7.74.1.3) Type of product or service

Other

☒ Other, please specify: Circular economy activity support service

(7.74.1.4) Description of the product or service

Moppy Reuse: A service that allows users to sell unwanted items through a mail-in purchase service. This promotes reuse and contributes to reducing the environmental burden (GHG emissions, resource consumption, etc.) associated with manufacturing new products.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product or service?

Selected:

☒ Yes

(7.74.1.6) Method used to calculate avoided emissions

Selected:

☒ Other, please specify: The GHG emissions reduction per reused item is estimated from the difference against the GHG emissions of manufacturing a new item.

(7.74.1.7) Life cycle stages covered by the low-carbon product or service

Selected:

☒ From raw material acquisition to product disposal

(7.74.1.8) Functional unit used

One reused item for which a purchase was completed

(7.74.1.9) Reference product/service or baseline scenario used

The reference product is a new item with functions equivalent to the item purchased.

(7.74.1.10) Life cycle stages covered by the reference product/service or baseline scenario

Selected:

☒ From raw material acquisition to product disposal

(7.74.1.11) Estimated avoided emissions relative to the reference product/service or baseline scenario (metric tons CO₂e per functional unit)

1

(7.74.1.12) Explain your calculation of avoided emissions, including the assumptions made

By promoting the circulation of reused items, Moppy Reuse avoids the GHG emissions and resource consumption associated with manufacturing new products. However, because the types and conditions of the items purchased are highly varied and it is difficult to identify the emissions of manufacturing each new equivalent, it is difficult at present to calculate avoided emissions quantitatively. We therefore calculated on the assumption, based on the number of items purchased, that we contributed at least 1 t-CO₂ of reduction as a minimum line.

Going forward we plan to work on calculating avoided emissions either by estimating them using LCA data for the main purchase categories, or based on the purchase amounts and the emission factors of the input-output table.

(7.74.1.13) Proportion of total revenue in the reporting year generated by low-carbon products or services

0.004

[Add row]

(7.79) Did your organization cancel any project-based carbon credits within the reporting year?

Selected:

☒ Yes

(7.79.1) Provide details of the project-based carbon credits your organization cancelled within the reporting year.

Row 1

(7.79.1.1) Project type

Selected:

☒ Other, please specify: Low-carbon energy generation

(7.79.1.2) Type of mitigation activity

Selected:

☒ Emissions reduction

(7.79.1.3) Project description

"1023102: Substitution of electricity through the use of a wood biomass boiler at a paper mill"

- Certification numbers: JC-400-000-008-370-756 to JC-400-000-008-370-796 (renewable electricity) 41 t-CO₂
- Certification numbers: JC-400-000-008-371-289 to JC-400-000-008-371-289 (renewable electricity) 1 t-CO₂
- Certification numbers: JC-400-000-008-371-190 to JC-400-000-008-371-192 (renewable electricity) 3 t-CO₂
- Certification numbers: JC-400-000-008-370-894 to JC-400-000-008-370-915 (renewable electricity) 22 t-CO₂
- Certification numbers: JC-400-000-008-370-844 to JC-400-000-008-370-882 (renewable electricity) 39 t-CO₂
- Certification numbers: JC-400-000-008-370-841 to JC-400-000-008-370-843 (renewable electricity) 3 t-CO₂

Use: organizational activities (business activities, construction work, etc.) and reporting under RE100 This project contributes to reducing greenhouse gas emissions by substituting fossil-fuel-derived electricity consumption with renewable energy from a wood biomass boiler.

(7.79.1.4) Credits your organization cancelled from this project within the reporting year (metric tons CO₂e)

41

(7.79.1.5) Purpose of cancellation

Selected:

☒ Other, please specify: Organizational activities (business activities, construction work, etc.) and reporting under RE100

(7.79.1.6) Are you able to report the vintage of the credits cancelled (the year in which the emissions reduction/removal activity took place)?

Selected:

☒ Yes

(7.79.1.7) Vintage of the credits cancelled

2024

(7.79.1.8) Were these credits issued to your organization or purchased by your organization?

Selected:

☒ Purchased

(7.79.1.9) Carbon credit program that issued the credits

Selected:

☒ J-Credit Scheme (offset)

(7.79.1.10) Methodologies the program uses to assess the additionality of this project

Select all that apply

☒ Investment analysis

(7.79.1.11) Approach the selected program requires of this project to address reversal risk

Select all that apply

☒ Monitoring and compensation

(7.79.1.12) Potential sources of leakage the selected program requires this project to assess

Select all that apply

- ☑ Upstream/downstream emissions
- ☑ Activity shifting

(7.79.1.13) Provide details of any other issues the selected program requires the project to address

Projects subject to assessment are required to evaluate the potential for adverse environmental and social effects and to take measures to minimize them. This includes impacts on biodiversity and contributions to local communities.

(7.79.1.14) Please explain

In order to offset our 2024 GHG emissions (Scope 2: market-based), we cancelled a total of 41 t-CO₂.

This corresponds to the emissions required to achieve RE100, out of the total of 109 t-CO₂ stated in the retirement notice.

2. Team responsible for the cancellation Led by the Administration Division and in coordination with the Sustainability Promotion Group, we were responsible for purchasing the carbon credits. As part of the due diligence process, we evaluated the reliability of the J-Credit Scheme, the additionality of the project, and its suitability in terms of environmental contribution.

3. Reason for selecting the project Our main selection criteria were that it could contribute to achieving the goals of "RE Action — Declaring 100% Renewable Energy," of which we are a member, and that it complies with the standards of the J-Credit Scheme operated by the Ministry of the Environment and the Ministry of Economy, Trade and Industry. On this basis we judged that we could offset emissions in a highly reliable manner.

4. Corresponding adjustment These credits originate from a domestic project, so "corresponding adjustments" to prevent international double counting do not apply.
[Add row]

C10. Environmental performance — plastics

(10.1) Do you have targets relating to plastics? If so, provide details.

(10.1.1) Do you have a quantitative target?

Selected:

☒ No, but we plan to do so within the next two years

(10.1.3) Please explain

Ceres recognizes environmental problems caused by plastics (waste plastics and microplastic pollution) as an important management issue related also to climate change and biodiversity. We are currently at the stage of strengthening supply chain engagement in order to accurately grasp our total plastic use (particularly packaging materials), and we have not yet set specific quantitative targets. However, as a medium- to long-term plan, and based on the "Ceres Environmental Targets" materialities of "pollution and waste management" and "provision of environmentally conscious products and services," we have set out the following qualitative and quantitative targets and plan to formalize them as official targets within the next two years.

1. Quantitative targets By 2050 we aim to switch 50% of plastic packaging materials to biomass or biodegradable plastics, and to switch 50% of plastic packaging materials to 100% paper (using certified forest materials).

2. Qualitative targets We will promote purchasing in line with green procurement criteria (such as the Eco Mark) and reduce environmental impact across the entire life cycle. We will also strengthen environmental communication with consumers through the implementation of carbon footprint (CFP). We will reduce our dependency on plastics and promote resource circulation across the entire value chain.

[Fixed row]

(10.2) State whether your organization engages in the following activities.

Production/sale of plastic polymers (including plastic converters)

(10.2.1) Application of the activity

Selected:

☒ No

(10.2.2) Comments

Ceres is not directly engaged in the production of plastic polymers, the use of plastic products/packaging, the provision of services involving plastic packaging, waste or water services, financial products for plastic-related activities, or other plastic-related activities. Our dependency on plastics in our business activities is limited mainly to some products sold in the D2C business and their packaging materials. We therefore judged that these activities do not apply to the CDP questions and have excluded them.

Production/commercialization of durable plastic goods/components (including mixed materials)

(10.2.1) Application of the activity

Selected:

☒ Yes

(10.2.2) Comments

In the Mobile Services business (D2C), Ceres handles products and packaging materials that depend on plastics.

1. Commercialization of plastic products The insole products sold in the D2C business use plastic as their main raw material.

2. Commercialization of goods packaged in plastic packaging The insoles, cosmetics and healthcare-related goods handled in the D2C business use plastic packaging materials. This use of plastics is part of the environmental burden of our business activities, and we plan to work on reducing it.

Use of durable plastic goods/components (including mixed materials)

(10.2.1) Application of the activity

Selected:

☒ No

(10.2.2) Comments

Ceres is not directly engaged in the production of plastic polymers, the use of plastic products/packaging, the provision of services involving plastic packaging, waste or water services, financial products for plastic-related activities, or other plastic-related activities. Our dependency on plastics in our business activities is limited mainly to some products sold in the D2C business and their packaging materials. We therefore judged that these activities do not apply to the CDP questions and have excluded them.

Production/commercialization of plastic packaging

(10.2.1) Application of the activity

Selected:

☒ No

(10.2.2) Comments

Ceres is not directly engaged in the production of plastic polymers, the use of plastic products/packaging, the provision of services involving plastic packaging, waste or water services, financial products for plastic-related activities, or other plastic-related activities. Our dependency on plastics in our business activities is limited mainly to some products sold in the D2C business and their packaging materials. We therefore judged that these activities do not apply to the CDP questions and have excluded them.

Production/commercialization of goods/products packaged in plastic packaging

(10.2.1) Application of the activity

Selected:

☒ Yes

(10.2.2) Comments

In the Mobile Services business (D2C), Ceres handles products and packaging materials that depend on plastics.

1. Commercialization of plastic products The insole products sold in the D2C business use plastic as their main raw material.

2. Commercialization of goods packaged in plastic packaging The insoles, cosmetics and healthcare-related goods handled in the D2C business use plastic packaging materials. This use of plastics is part of the environmental burden of our business activities, and we plan to work on reducing it.

Provision/commercialization of services that use plastic packaging (e.g., food services)

(10.2.1) Application of the activity

Selected:

☒ No

(10.2.2) Comments

Ceres is not directly engaged in the production of plastic polymers, the use of plastic products/packaging, the provision of services involving plastic packaging, waste

or water services, financial products for plastic-related activities, or other plastic-related activities. Our dependency on plastics in our business activities is limited mainly to some products sold in the D2C business and their packaging materials. We therefore judged that these activities do not apply to the CDP questions and have excluded them.

Provision of waste management or water management services

(10.2.1) Application of the activity

Selected:

☒ No

(10.2.2) Comments

Ceres is not directly engaged in the production of plastic polymers, the use of plastic products/packaging, the provision of services involving plastic packaging, waste or water services, financial products for plastic-related activities, or other plastic-related activities. Our dependency on plastics in our business activities is limited mainly to some products sold in the D2C business and their packaging materials. We therefore judged that these activities do not apply to the CDP questions and have excluded them.

Provision of financial products/services for plastic-related activities

(10.2.1) Application of the activity

Selected:

☒ No

(10.2.2) Comments

Ceres is not directly engaged in the production of plastic polymers, the use of plastic products/packaging, the provision of services involving plastic packaging, waste or water services, financial products for plastic-related activities, or other plastic-related activities. Our dependency on plastics in our business activities is limited mainly to some products sold in the D2C business and their packaging materials. We therefore judged that these activities do not apply to the CDP questions and have excluded them.

No other activities specified

(10.2.1) Application of the activity

Selected:

☒ No

(10.2.2) Comments

Ceres is not directly engaged in the production of plastic polymers, the use of plastic products/packaging, the provision of services involving plastic packaging, waste or water services, financial products for plastic-related activities, or other plastic-related activities. Our dependency on plastics in our business activities is limited mainly to some products sold in the D2C business and their packaging materials. We therefore judged that these activities do not apply to the CDP questions and have excluded them.

[Fixed row]

(10.4) Specify the total weight of durable plastic goods/components produced, sold, or used, and the feedstocks they contain.

Durable goods/components sold

(10.4.1) Total weight in the reporting year (metric tons)

79.2

(10.4.2) Feedstocks for which you can report a breakdown

Select all that apply

☒ Percentage of virgin fossil-based feedstock (%)

(10.4.3) Percentage of virgin fossil-based feedstock (%)

100

(10.4.7) Please explain

The total weight of the insole products sold in the D2C business is 79.2 metric tons, and all of the feedstock is virgin fossil-based plastic. These insoles are manufactured under OEM production outsourced by us, and we plan to strengthen detailed traceability of the plastic feedstock used in that manufacturing process through collaboration with suppliers going forward. At present, no use of recycled plastic or biomass-derived plastic has been confirmed in the upstream supply chain manufacturing of plastics.

[Fixed row]

(10.5) Specify the total weight of plastic packaging sold/used and the feedstocks it contains.

Plastic packaging used

(10.5.1) Total weight in the reporting year (metric tons)

0

(10.5.2) Feedstocks for which you can report a breakdown

Select all that apply

☒ None

(10.5.7) Please explain

We recognize the fact that plastic packaging is used in the D2C business, but because information collection covering the entire supply chain is insufficient, we are currently unable to accurately determine the total weight of plastic packaging. We have therefore answered "0." Going forward we plan to strengthen engagement with suppliers and to grasp and reduce the amount of plastic packaging used in the supply chain.

[Fixed row]

(10.5.1) Provide information on the circularity of the plastic packaging your organization sold/used.

Plastic packaging used

(10.5.1.1) Proportions you are able to report for circularity

Select all that apply

☒ Proportion that is effectively widely recycled

(10.5.1.4) Proportion of plastic packaging that is effectively widely recycled (%)

100

(10.5.1.5) Please explain

At present we are unable to determine the total weight of the plastic packaging used, so we cannot report detailed data on its circularity. However, our product packaging carries recycling identification marks (the plastic mark / paper mark) and is not given any special treatment that would make it unsuitable for recycling, so we recognize that it is 100% put into a circular cycle by the municipalities that collect it as a resource from consumers. Going forward, as well as determining the total weight of plastic packaging, we will consider collecting and reporting data on circularity from perspectives such as the adoption of recycled plastics, design for disassembly to facilitate recycling, and the collection and reuse of used plastics.

[Fixed row]

C11. Environmental performance – biodiversity

(11.2) What actions did your organization take in this reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress biodiversity-related commitments

Selected:
☒ Yes, we are taking measures to progress our biodiversity-related commitments

(11.2.2) Types of measures taken to progress biodiversity-related commitments

Select all that apply
☒ Education and awareness-raising activities
☒ Laws and policies
☒ Livelihood support, economic and other incentives
[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its biodiversity-related activities?

	Does your organization use indicators to monitor biodiversity performance?
	Selected: ☒ No, we do not use indicators, but we plan to do so within the next two years

[Fixed row]

(11.4) During the reporting year, did you have operations in or near areas important for biodiversity?

Legally protected areas

(11.4.1) State whether you have operations in or near this type of area important for biodiversity.

Selected:

☒ No

(11.4.2) Comments

Ceres does not recognize its offices, which are its main business sites, as being located near legally protected areas or internationally designated areas important for biodiversity. However, we recognize that at present we cannot rule out the possibility that raw material procurement in the D2C business supply chain (particularly timber and plastics) has indirect effects on biodiversity. To address this issue, we plan to implement the LEAP approach in line with the TNFD (Taskforce on Nature-related Financial Disclosures) recommendations, and going forward we will build a structure for identifying and managing nature-related dependencies, impacts, risks and opportunities across the entire value chain.

UNESCO World Heritage sites

(11.4.1) State whether you have operations in or near this type of area important for biodiversity.

Selected:

☒ No

(11.4.2) Comments

Ceres does not recognize its offices, which are its main business sites, as being located near legally protected areas or internationally designated areas important for biodiversity. However, we recognize that at present we cannot rule out the possibility that raw material procurement in the D2C business supply chain (particularly timber and plastics) has indirect effects on biodiversity. To address this issue, we plan to implement the LEAP approach in line with the TNFD (Taskforce on Nature-related Financial Disclosures) recommendations, and going forward we will build a structure for identifying and managing nature-related dependencies, impacts, risks and opportunities across the entire value chain.

UNESCO Man and the Biosphere Reserves

(11.4.1) State whether you have operations in or near this type of area important for biodiversity.

Selected:

☒ No

(11.4.2) Comments

Ceres does not recognize its offices, which are its main business sites, as being located near legally protected areas or internationally designated areas important for biodiversity. However, we recognize that at present we cannot rule out the possibility that raw material procurement in the D2C business supply chain (particularly timber and plastics) has indirect effects on biodiversity. To address this issue, we plan to implement the LEAP approach in line with the TNFD (Taskforce on Nature-related Financial Disclosures) recommendations, and going forward we will build a structure for identifying and managing nature-related dependencies, impacts, risks and opportunities across the entire value chain.

Ramsar sites

(11.4.1) State whether you have operations in or near this type of area important for biodiversity.

Selected:

☒ No

(11.4.2) Comments

Ceres does not recognize its offices, which are its main business sites, as being located near legally protected areas or internationally designated areas important for biodiversity. However, we recognize that at present we cannot rule out the possibility that raw material procurement in the D2C business supply chain (particularly timber and plastics) has indirect effects on biodiversity. To address this issue, we plan to implement the LEAP approach in line with the TNFD (Taskforce on Nature-related Financial Disclosures) recommendations, and going forward we will build a structure for identifying and managing nature-related dependencies, impacts, risks and opportunities across the entire value chain.

Key Biodiversity Areas

(11.4.1) State whether you have operations in or near this type of area important for biodiversity.

Selected:

☒ No

(11.4.2) Comments

Ceres does not recognize its offices, which are its main business sites, as being located near legally protected areas or internationally designated areas important for

biodiversity. However, we recognize that at present we cannot rule out the possibility that raw material procurement in the D2C business supply chain (particularly timber and plastics) has indirect effects on biodiversity. To address this issue, we plan to implement the LEAP approach in line with the TNFD (Taskforce on Nature-related Financial Disclosures) recommendations, and going forward we will build a structure for identifying and managing nature-related dependencies, impacts, risks and opportunities across the entire value chain.

Other areas important for biodiversity

(11.4.1) State whether you have operations in or near this type of area important for biodiversity.

Selected:

☒ No

(11.4.2) Comments

Ceres does not recognize its offices, which are its main business sites, as being located near legally protected areas or internationally designated areas important for biodiversity. However, we recognize that at present we cannot rule out the possibility that raw material procurement in the D2C business supply chain (particularly timber and plastics) has indirect effects on biodiversity. To address this issue, we plan to implement the LEAP approach in line with the TNFD (Taskforce on Nature-related Financial Disclosures) recommendations, and going forward we will build a structure for identifying and managing nature-related dependencies, impacts, risks and opportunities across the entire value chain.
[Fixed row]

C13. Additional information and sign-off

(13.1) State whether the environmental information in your CDP response (other than that reported in questions 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) has been verified or assured by a third party.

	Other environmental information in the CDP response has been verified or assured by a third party
	Selected: ☒ Yes

[Fixed row]

(13.1.1) Which data points in your CDP questionnaire response have been verified or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issues for which data is verified/assured

Select all that apply
☒ Climate change

(13.1.1.2) Disclosure module and data verified or assured

Environmental performance – consolidation approach
☒ Consolidation approach

(13.1.1.3) Verification/assurance standard

General standards

☒ ISAE 3000

Climate change-related standards

☒ ISO 14064-3

(13.1.1.4) Details of the third-party verification/assurance process

This assurance engagement was carried out as a limited assurance engagement in accordance with ISAE 3000 and ISO 14064-3:2019.

The verification process focuses on confirming the accuracy of the data collected from the group companies within the consolidation scope, based on the rules established by the parent company, Ceres.

Specifically, accurate aggregation and reporting of consolidated data was ensured through interviews with employees at Ceres head office, observation of business processes, evaluation of the criteria for emissions calculation, and reconciliation and confirmation against source data. This verification complies with the international GHG Protocol and includes confirmation of the consolidation scope covering the entire supply chain.

(13.1.1.5) Attach evidence/report of the verification/assurance (optional)

Independent Third-Party Assurance Report.pdf

Row 2

(13.1.1.1) Environmental issues for which data is verified/assured

Select all that apply

☒ Climate change

(13.1.1.2) Disclosure module and data verified or assured

Environmental performance – climate change

☒ Project-based carbon credits

(13.1.1.3) Verification/assurance standard

General standards

☒ ISAE 3000

Climate change-related standards

☒ ISO 14064-3

(13.1.1.4) Details of the third-party verification/assurance process

The verification process for the J-Credits purchased and retired is intended to ensure the reliability of the data and to prevent double counting of emissions. The verification confirmed the consistency between the offset balance stated by Ceres in its calculation report and the CO2 reduction stated in the J-Credit retirement notice.

In this process, the third-party verification body checks the retirement notice, thereby providing limited assurance that the credits were properly retired and appropriately reflected in the emissions calculation. This series of steps proceeds through advance confirmation of the calculation rules, confirmation of the operational management structure for emissions sources and data collection, and confirmation of the data aggregation method and supporting documentation. Ultimately, this verification demonstrates that the credits purchased and retired are legitimate and are appropriately reflected in the emissions calculation.

(13.1.1.5) Attach evidence/report of the verification/assurance (optional)

Independent Third-Party Assurance Report (with J-Credit certificate).pdf

[Add row]

(13.2) Use this field to provide any additional information or context that you feel is relevant to your response. Note that this field is optional and is not scored.

(13.2.1) Additional information

Ceres recognizes climate action and the strengthening of human capital — particularly the advancement of women — as interrelated management issues for sustained enhancement of corporate value.

Our recent signing of the "Women's Empowerment Principles (WEPs)" advocated by the United Nations symbolizes this integrated approach.

1. The correlation between climate change and human capital

Climate change not only brings physical and transition risks to business activities but also affects employee wellbeing and engagement. Frequent natural disasters and temperature variability increase the risk of supply chain disruption and business interruption and make it more difficult to ensure employee safety. In addition, as decarbonization advances across society, a sincere corporate stance on climate change is essential to attracting and retaining environmentally aware, high-caliber talent. By proactively advancing climate action, Ceres fosters pride among employees at being engaged in a business with high social value and thereby raises engagement.

2. An integrated approach to the advancement of women and climate action

The diverse perspectives and innovative ideas of women are key to generating the innovation that turns environmental issues into business opportunities.

· Participation in decision-making

Ceres has appointed outside director Shoko Sato, who has extensive knowledge of technical public relations and community building, to lead the promotion of diversity from multiple perspectives. By incorporating women's perspectives into management, we aim to formulate a more comprehensive strategy for climate change risks.

· Improving the workplace environment

Based on the WEPs principles, we are creating a workplace environment in which all employees, regardless of gender, can find their work rewarding.

Specifically, we have introduced arrangements that respond to health issues specific to women and to changes in life stage – such as full subsidies for the cost of low-dose contraceptive pills and childcare support programs – creating an environment in which people can continue their careers with peace of mind.

· Gender equality in the supply chain

Climate transition risks extend across the entire supply chain. By promoting gender equality throughout the supply chain, Ceres aims to build strong relationships with suppliers and achieve more resilient business operations.

Taking our signing of the WEPs as an opportunity, Ceres will further accelerate these initiatives. As a “sustainable internet company” that contributes to both climate change and social issues, we will strive to realize a sustainable society and to enhance corporate value over the long term.

(13.2.2) Attachments (optional)

Ceres signs and endorses the "Women's Empowerment Principles (WEPs)".pdf

[Fixed row]

(13.3) Provide the following information about the person who gave final sign-off to your CDP questionnaire response.

(13.3.1) Job title

President and Representative Director

(13.3.2) Job category

Selected:

☒ Chief Executive Officer (CEO)

[Fixed row]