



Greenhouse gas emissions Verification Statement

19 August 2024

Daido Steel Co., Ltd.

Japan Management Association
GHG Certification Center
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1. Objective and Scope of Verification

Japan Management Association GHG Certification Center (JMACC) was commissioned by Daido Steel Co., Ltd. (hereinafter, referred to as “the Organization”) to conduct independent verification on a limited level of assurance. The scope of verification is the following greenhouse gas (GHG) emissions within the Organizational boundary^{*1} in its fiscal year 2023 Monitoring Report (hereinafter, referred to as “the Report”) from 1/April/2023 to 31/March/2024.

- 1) SCOPE 1 GHG emissions;
Direct CO₂ emissions within the Organizational boundary by using fuels and by industrial process
- 2) SCOPE 2 GHG emissions;
Indirect CO₂ emissions within the Organizational boundary by using electricity and heat
- 3) SCOPE 3 GHG emissions;
CO₂ emissions within the category 1, 2, 3, 4, 5, 6, 7 and 13 of SCOPE 3^{*2}

The objective of this verification is to confirm that the monitoring data in the Organization’s applicable scope have been correctly calculated and reported in line with the criteria of the monitoring procedure^{*3}, and to express our views as a third party. The Organization’s responsibility is to prepare the Report and report the monitoring data, and JMACC’s responsibility is to express our views on the monitoring data of the Report as a third party.

2. Procedure of Verification

The Report was verified by JMACC in accordance with the requirement of ISO14064-3:2019 (Greenhouse gases Part 3: Specification with guidance for the verification and validation of greenhouse gas statements), and following processes were implemented:

- Assessment regarding to the information to specify the GHG emissions in the Report, monitoring procedure, monitoring system and related documents
- Interviews with persons in charge of preparing the Report
- Verifying the evidence for confirmation of the accuracy of GHG emissions by sampling

3. Conclusion of Verification

Within the scope of the verification activities employing the methodologies mentioned above, nothing has come to our attention that caused us to believe that Organization's GHG emissions in the Report of fiscal year 2023 were not calculated and reported in conformance with the criteria.

Verified GHG emissions (t-CO ₂ e)		Organizational boundary
SCOPE 1 (Direct CO ₂ emissions by using fuels)	390,016	Daido Steel Co., Ltd. and Associated companies
Breakdown of above		
Daido Steel Co., Ltd.	331,689	
Associated companies	58,327	
SCOPE 1 (Direct CO ₂ emissions by industrial process)	17,261	Daido Steel Co., Ltd.
SCOPE 2 ^{※4}	646,310	Daido Steel Co., Ltd. and Associated companies
Breakdown of above		
Daido Steel Co., Ltd.	488,753	
Associated companies	157,557	
SCOPE 3 ^{※5}	1,440,739	Daido Steel Co., Ltd.
Breakdown of SCOPE 3		
Category 1	1,116,026	
Category 2	56,060	
Category 3	186,506	
Category 4	56,077	
Category 5	15,464	
Category 6	2,640	
Category 7	3,145	
Category13	4,820	

NOTE:

※1 : Organizational boundary : Refer to the table above.

• Daido Steel Co., Ltd. :

Chita Plant, Chita Second Plant, Hoshizaki Plant, Shibukawa Plant, Tsukiji Techno-Center, Kimitsu Plant, Oji Plant, Takiharu Techno-Center, Nakatsugawa Advanced Magnetic Materials Development Center, Head Office, Tokyo Head Office, Osaka Branch, Fukuoka Sales Office

• Associated companies :

OHIO STAR FORGE CO.(3sites), KISOKOMAKOGEN KANKOKAIHATSU Co., Ltd. (1site), Shimomura Tokushu Seiko Co., Ltd. (7sites), Daido IT Solutions Co., Ltd. (6sites), Daido EcoMet Co., Ltd. (3sites), Daido Environment Engineering Co., Ltd. (1site), Daido Castings Co., Ltd. (2sites), Daido Kogyo Co., Ltd. (4sites), DAIDO STAR TEKUNO Co., Ltd. (2sites), Daido Steel (America) Inc. (1site) , Daido Steel (Thailand) Co., Ltd. (1site) , Daido Precision Industries Ltd. (1site),

Daido Die & Mold Steel Solutions Co., Ltd. (35sites), Daido Technica Co., Ltd. (3sites), Daido Electronics Co., Ltd. (3sites), Daido Steel (Shanghai) Co., Ltd. (6sites) 、 Daido Plant Industries Co., Ltd. (1site)、 Daido Bunseki Research Inc. (3sites), Daido machinery, Ltd. (7sites)、 Daido Life Service Co., Ltd. (4sites)、 Toyo Sangyo Co., Ltd. (2sites)、 Nissei Seiko Co., Ltd. (3sites)、 Nippon Seisen Co., Ltd. (11site)、 Japan Drop Forge Co., Ltd. (1site)、 Fuji OOZX Inc. (6sites) 、 Izumi Denki Kogyo Co., Ltd. (4sites)、 Kawaichi Sangyo Co., Ltd. (6sites)、 Sakurai Kosan Co., Ltd. (2sites)、 Tohoku Steel Co., Ltd. (2sites)、 Maruta Transport Co., Ltd. (6sites)、 Riken Seiko Co., Ltd. (4sites)

※2 : Overview of categories of SCOPE 3

- Category 1 (Purchased goods and services) : Purchased raw materials and materials
- Category 2 (Capital goods) : Tangible fixed assets
- Category 3 (Fuel- and energy-related activities not included in Scope 1 or Scope 2) : Fuel, electricity and heat consumption
Electricity derived from renewable energy is calculated assuming zero emissions.
- Category 4 (Transport and distribution (upstream)) : Domestic / overseas land transportation, marine transportation, and domestic rail transportation (of raw materials / materials / work in process products / products)
- Category 5 (Waste generated in operations) : Industrial waste generated in operations within the Organizational boundary
- Category 6 (Business travel) : Business travel by Full-time employee
- Category 7 (Employee commuting) : Full-time employee commuting to the worksites
- Category 13 (Leased Assets (downstream)) : Land lease outside the organizational boundary

※3 : Monitoring procedure of SCOPE 1,2 and 3

“Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.2.6) ”, “Database of emissions unit values for Greenhouse Gas Emissions Throughout the Supply Chain (ver.3.4) ” , “National Institute of Advanced Industrial Science and Technology IDEA Ver.3.4” and “SCOPE 3 reporting procedures” prepared by the organization.

※4 : Emission factor for electricity

Japan: Adjusted emission factor under GHG emissions reporting system of Japan

Overseas: National Institute of Advanced Industrial Science and Technology IDEA Ver.3.4

※5 : The amount of SCOPE 3 (t-CO₂e) are totaled including figures after the decimal point of each category.