Section 4

Environment

Basic Approach

Environmental issues are significant challenges common to humanity and directly impact customers' lives. Based on our Environmental Policy, our Group supports the lives of our customers from the perspective of solving environmental issues by focusing on reuse and recycling in the Consumer Electronics Segment, providing eco-friendly housing and services in the Housing Segment, and actively engaging in initiatives for a circular economy through resource circulation in the Environment Segment.

Environmental Policy
https://www.yamada-holdings.jp/lang-en/policy_environmental.html

Risks and Opportunities

As natural disasters intensify with climate change, violations of environmental laws and regulations can lead to a loss of social trust and consequently pose challenges to the continuity of business activities. On the other hand, adequately responding to demands for climate change measures through business activities and establishing systems for resources circulation can enhance corporate value.

Our Response to These Risks

Following an environmental management system and applying the PDCA cycle, we strive to reduce our environmental impact. In response to climate change, we have set CO_2 reduction targets for the entire Group and are working to reduce emissions throughout our business activities, including introducing renewable energy. We are also focusing on building a unique circular system to promote the reuse and recycling of home appliances.

Environmental management and the environmental management system

At our company, the ESG & Sustainability Promotion Committee takes the lead in decision-making to promote environmental management across segments. All the headquarters of YAMADA HOLDINGS, YAMADA DENKI, CIC, as well as Azuma Metal, YAMADA HOMES, Housetec, and Aizu Dust Center have obtained ISO 14001 certification and carry out environmental management activities.

ISO 14001 initiatives
https://www.yamada-holdings.jp/info/policy/iso14001.html
(in Japanese only)

P.56 Sustainability Management

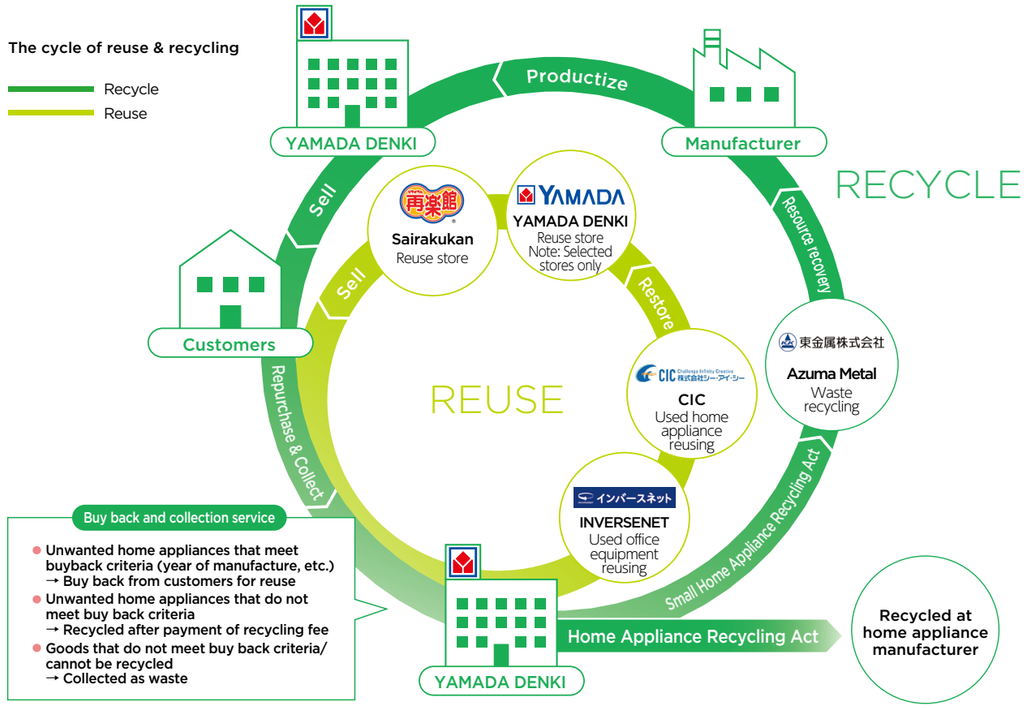
Environmental education

Our Group conducts company-wide environmental education to raise employees' awareness of reducing environmental impact. We disseminate environmental information through company newsletters and intranet, and support employees in obtaining certifications as Home Appliance Advisor and Smart Master recognized by the Association for Electric Home Appliances. At our company and YAMADA DENKI headquarters, we conduct department-specific environmental education in line with ISO 14001, including study sessions with reading materials, to stimulate engagement in environmental issues.

P.57 Sustainability training & education
P.71 Improving customer service
P.72 Gaining external qualifications

Addressing Resource Circulation and a Circular Economy

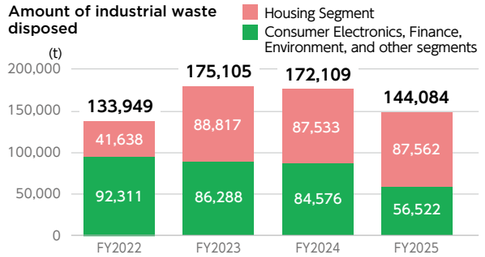
Our Group has constructed a system for the reuse and recycling of used home appliances collected from customers in accordance with our Environmental Policy, contributing to the reduction of environmental impact in society as a whole by completing the product life cycle within the Group.



Initiatives to reduce waste

At YAMADA DENKI, in addition to the waste material generated from its stores, discarded home appliances from customers not covered by the Home Appliance Recycling Act are categorized into three groups: reuse, recycling, and disposal, in accordance with relevant laws, and are processed in a manner that supports waste reduction. The business of reuse, reducing waste and its proper disposal (recycling), and the utilization of resource recovery materials with a focus on home appliances is conducted under YAMADA Environmental Resources Development Holdings. The Company efficiently collects used products and reuses them wherever possible to resell and deliver on to customers.

Additionally, in the Housing Segment, wood is pre-processed at factories for more efficient use of resources, and some of the packaging materials and waste generated from construction sites and demolition work are recycled, contributing to the reduction of industrial waste.



Notes: 1. The Hinokiya Group (Housing Segment) has been added to scope from FY2023.
2. <Scope of data> FY2022-FY2024: Consolidated and non-consolidated, FY2025: Consolidated

Reuse

Our Group is building a complete distribution network for the reuse of home appliances, from the repurchase of quality products through to recycling and sales, centered on CIC which develops environmental resources. Our reuse centers provide a service that allows customers to purchase reused home appliances with peace of mind by giving every product we buy back in our stores a thorough functional check, cleaning, and repair, as well as a warranty of up to 24 months from the day the product is purchased. As for the reuse of computers, INVERSENET recovers second-hand computers for resale.

In May 2022, the YAMADA East Japan Reuse Center Gunma Plant was expanded with the aim of increasing production of reused products. The Gunma Plant has introduced automated warehouses that store various used home appliances sent from all over the country, as well as an automatic washer for washing machine drums, strengthening its initiatives.

In addition, the newly-built Yamaguchi Plant began operations in June 2025 with the goal of increasing production and reducing CO_2 in western Japan by shortening product transportation distances to the Chugoku, Shikoku, and Kyushu regions. Toward the production of 300,000 units for FY2030, we will continue to leverage our advanced technological capabilities to promote the establishment of a circular resource system and aim to expand the productivity of reused products.

The new YAMADA West Japan Reuse Center Yamaguchi Plant

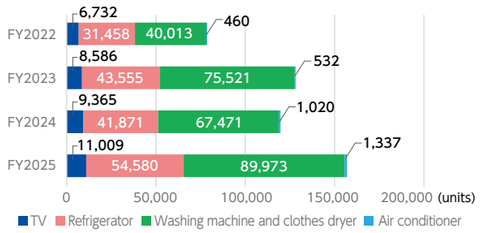
Reuse of 4 household appliances (TVs, refrigerators, washing machines, and air conditioners)

Target	FY2025 Results
FY2030	
300,000 units	156,899 units

Reuse & recycle of computers

Target	FY2025 Results
FY2026	
344,300 units	335,482 units

Reuse of 4 household appliances (TVs, refrigerators, washing machines, and air conditioners)



Reducing waste and proper disposal of waste (recycling)

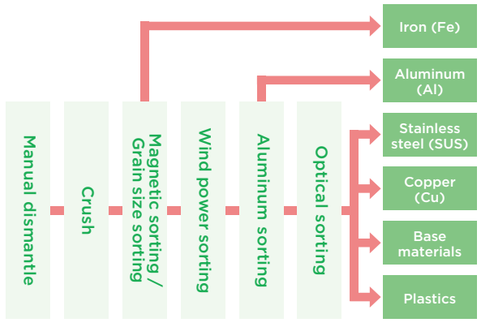
We collect used small home appliances that don't meet the reuse criteria but can be recycled at our YAMADA DENKI stores based on the Act on Promotion of Recycling of Small Waste Electrical and Electronic Equipment (Small Home Appliance Recycling Act*).

Collected small home appliances are meticulously sorted at the recycling plant within the Group (Azuma Metal) and separated into component materials such as iron, aluminum, stainless steel, and plastics, which are then reused as raw materials in various products.

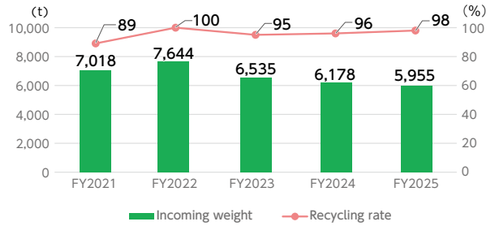
Going forward, we will further increase the number of products that can be recycled by building systems and using machines with advanced sorting functions, leading to a reduction in waste.

* A law that encourages the formation of a circular economy whereby a government-certified business operator collects and processes electrical machinery and appliances, excluding the four categories of home appliances subject to the Home Appliance Recycling Act (TVs, air conditioners, refrigerators and freezers, and washing machines and clothes dryers).

Recycle flow of used small home appliances



Incoming weight and recycling rate of small home appliances



Number of small home appliances recycled

Target	FY2025 Results
FY2030	
1,000,000 units	843,128 units

Utilization of resource recovery materials

We also develop and sell eco-friendly products utilizing resource recovery materials from recyclable items. Recycled plastics are utilized in pallets for reuse plants, shopping baskets in stores, and carry handles for small home appliances, contributing to sustainable initiatives. In the future, the Group will aim to develop and sell products in various fields such as housing.

Pallets at the Reuse Fujioka Plant

Addressing Climate Change and Biodiversity (Disclosures in Line with TCFD and TNFD Recommendations)

Our Group is striving to reduce its impact on the environment by monitoring and managing the amount of energy use in business activities, as well as CO_2 and waste emissions. We handle a wide variety of home appliances, housing equipment, and furniture and interior goods that support customers' lifestyle based on the "Total-Living" concept. These products are manufactured and processed not only in Japan but also in other parts of the world, using various resources from each region. For this reason, we believe that tackling climate change and preserving the natural environment are important themes for the sustainable growth of the Group.

In preparation for disclosures based on the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD), the Group is examining the current state of the whole Group, developing a governance system, and reviewing strategies, risk management, metrics, and targets. Going forward, we will continue to appropriately manage the risks related to climate change and environmental issues, including natural environments and resource circulation, while viewing various changes toward the conservation of natural environments and a decarbonized society as business opportunities that will lead to sustainable growth, and we are actively advancing our environmental initiatives.

Governance

Our Group is promoting sustainability activities based on appreciation and trust with respect to its stakeholders. For our Group to achieve sustainable corporate value enhancement, consideration for governance is essential.

At our company, the Board of Directors discusses important management and business strategies, makes policy decisions, and supervises the ESG & Sustainability Promotion Committee. The ESG & Sustainability Promotion Committee makes decisions on important matters, and subcommittees thereunder discuss the details of individual activities and confirm the progress of activities and targets. In addition to the climate change risks and opportunities identified from scenario analysis, important issues such as risks and opportunities in the natural environment and resource circulation are examined by the committee, which regularly reports to the Board of Directors on the status of addressing these risks, so that the Board of Directors can fully exercise its supervisory function.

Strategy

<TCFD>

Based on the TCFD recommendations, the Group has established the target businesses, timelines, and scenarios to analyze and assess the climate change risks and opportunities.

Scenario analysis assumptions (FY2025)

Scenarios	Global temperatures up by 1.5℃ and 4.0℃
Businesses	Consumer electronics business, housing business, environmental business (Directly operated YAMADA DENKI stores in Japan that account for the highest percentage of net sales in the Group as a whole and businesses most affected by climate change)
Period	Impact from 2030 to 2050

1.5°C scenario (High transition risk, low physical risk)

This scenario sees the tightening of regulations and policies for decarbonization, with measures against climate change progressing and a temperature rise from pre-industrial levels at around 1.5 to 2.0℃. As customers' preferences for products and services change and companies are more strongly required to tackle climate change, it is likely that transition risks, including fewer customers and greater reputational risk, will increase if the companies fail to do so. Conversely, it is assumed that the physical risks would be relatively low compared to the 4.0℃ scenario, with, for example, more extreme and prevalent disasters caused by climate change being suppressed to some extent. (Reference: The International Energy Agency's Net Zero Emissions by 2050 Scenario)

4.0°C scenario (Low transition risk, high physical risk)

A scenario in which sufficient measures against climate change are not taken and the temperature rises around 4.0℃ from pre-industrial levels. It is assumed that physical risks would increase, with, for example, more extreme natural disasters, rising sea levels, and an increase in abnormal weather events. As a result, it is thought that climate change-resilient products and services in terms of good business continuity plan (BCP) will become more competitive. Conversely, it is assumed that transition risks would be low, with, for example, the government's lack of tighter regulations. (Reference: The Intergovernmental Panel on Climate Change's RCP8.5 Scenario)

Physical risks

Using the Company's database on hazard maps, we have identified 36 stores, out of our 1,057 stores and offices in the Consumer Electronics Segment nationwide, that require priority attention for flood risk. (The percentage of net sales of the priority locations identified is 3%)

<TNFD>

Based on the TNFD recommendations, the Group has analyzed and assessed the dependence on and impact of natural capital in its business activities.

We have adopted the LEAP approach suggested by the TNFD recommendations and adjusted business activities in our direct operations and value chain (upstream and downstream) in the Consumer Electronics Segment (Japan only). We have evaluated our dependencies and impact on natural capital using ENCORE, which is one of the tools suggested by the TNFD, for the scope of our own direct operations and for our major business partners.

From the results of the evaluation of our dependencies and impact on natural capital in our business activities, we identified water-related risks as one of the key issues in the scope of our Consumer Electronics Segment operations. We therefore used Aqueduct tools, which are provided by the World Resources Institute (WRI), to assess water stress in the scope of our Consumer Electronics Segment operations, and we identified the stores that require priority attention based on the results. As a result, we verified the water stress levels of 70 stores, prioritized based on net sales by store and sales floor areas, and, while there were none with levels of high or above, we identified 34 stores requiring priority attention due to medium-high levels of water stress.

Based on an analysis of the dependencies and impact on natural capital that are related to our business, we also assessed the natural capital-related risks and opportunities and identified the ones that are important. Going forward, we will work even harder to intensify initiatives that are based on the TNFD recommendations aimed at managing risks and creating opportunities related to natural capital.

P.69 Water Resource Conservation

Management of risks and opportunities

We consider risks related to climate change, environmental issues including natural environments and resource circulation, as one of the most significant risks impacting our Group's business and integrate them into our overall risk management process. For long-term risk and opportunity assessments, approximately every three years, the Sustainability Promotion Department conducts a detailed analysis of external environmental changes such as political, economic, social, and competitive changes due to the transition to a decarbonized society and physical changes due to the progression of global warming. We analyze the probability that various changes may occur and the financial impact if these risks materialize to identify risks and opportunities. For risks and opportunities with a financial impact on revenue exceeding 50 million yen, they are reviewed by the Risk Management Committee and evaluated as significant risks and opportunities for the Group. Based on the risks and opportunities assessed by said committee, we revise our Environmental Policy and reflect these in identifying and evaluating key issues, major initiatives, and goal setting.

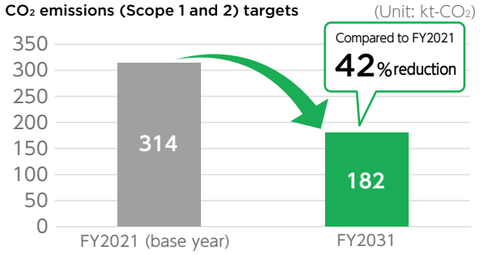
Meanwhile, for short- to medium-term risk and opportunity identification and evaluation, we gather information on external environmental changes and physical changes throughout the fiscal year. In light of the response status of each department and Group company, we analyze the validity and achievement of targets and reevaluate significance. If significant revisions arise, they are discussed, identified, and evaluated at the ESG & Sustainability Promotion Committee. The discussions held by the ESG & Sustainability Promotion Committee are reported to the Board of Directors.

Metrics and targets

The Group has set a goal of reducing CO_2 emissions in Scope 1 and 2 by 42% by FY2031, compared to FY2021. We are focusing on reducing electricity usage at YAMADA DENKI stores, which account for the majority of our Scope 1 and 2 emissions, and we are promoting further energy conservation at our stores. In addition, we are setting targets for each Scope 3 item and working to reduce those emissions as well.

P.68 Promoting the use of energy-efficient appliances
P.68 Sales of disaster preparedness products
P.68 Sale of YAMADA GREEN-certified products

CO_2 emissions (Scope 1 and 2) targets (Unit: kt-CO_2)



Third-party guarantee

We have obtained limited assurance (based on International Standard on Assurance Engagements 3000 and 3410) for consolidated Group CO_2 emissions in Japan in FY2025 for Scope 1 and 2 (market-based) and Scope 3 (the total of categories 1, 2, 3, 4, 5, 6, 7, 11, 12, and 14).

Analysis of climate change and biodiversity* risks and opportunities

Transition risks

Category	Subcategory	Items	Time scope	Effect on business	Impact level	Response	Business impact
Policy and regulation	Climate change and natural capital	Strengthening regulations in the supply chain	Short- to medium-term	• Increase in procurement costs due to tighter regulations in the supply chain	Medium	• Actively supporting suppliers' natural environment protection activities, responding to the risk of rising procurement costs • A questionnaire is conducted once a year targeting major business partners, and if any companies are deemed to be high risk, hearings or requests for improvement are carried out.	—
	Natural capital	Waste and recycle regulations	Short- to medium-term	• Increased costs in waste treatment and recycling processes	Medium	• Promotion of the reduction of industrial waste and the proper recycling of waste • Reduction regulatory compliance costs by moving waste treatment and recycling processes in-house • At the waste-to-energy plant, heat from incinerated waste will be used to generate electrical energy (scheduled to start operations in March 2027).	—
	Climate change	Carbon tax/ Carbon pricing	Short- to medium-term	• Increased electricity consumption costs throughout the company due to carbon pricing (carbon tax, etc.)	High	• Managing power-on/off for lighting, air-conditioning, and exhibits at YAMADA DENKI stores • Switching to energy-saving equipment at YAMADA DENKI stores • Promoting the installation of self-consumption solar panels at YAMADA DENKI stores	Estimated carbon tax payable in 2030: ¥3.6 bn
				• Need for developing price competitiveness including carbon pricing, low-carbon materials and construction technology	High	• Addressing the risk of rising procurement costs by supporting decarbonization activities at suppliers and streamlining manufacturing lines and manufacturing technologies • Carrying out more joint procurement with Group companies • Promoting development of low-carbon products by implementing an eco-friendly design assessment during product design	Minimum -¥15.3 bn Maximum -¥65.5 bn
	Climate change	Energy-saving regulations	Short-term	• Tightened regulations such as energy-saving standards	High	• Providing opportunities to learn about relevant laws and regulations by supporting the acquisition of external qualifications such as Home Appliance Advisor and Smart Master • Encouraging all employees to understand and acquire knowledge about energy-saving through the in-house SDGs Meister System qualification so they can provide explanations to consumers and encourage them to switch to more energy-efficient products that will contribute to a decarbonized/low-carbon society • Promoting widespread use of energy-saving home appliances through active participation in local government subsidies to replace products for energy-saving home appliances • Responding to the risk of rising procurement costs by further streamlining procurement and delivery • Actively supporting suppliers' decarbonization activities, responding to the risk of rising procurement costs	One-year increase in unit sales -9% Amount -¥35.4 bn
				• Increased store/office operating costs due to rising energy costs	High	• Carefully managing power-on/off for lighting, air-conditioning, and exhibits at YAMADA DENKI stores • Switching to energy-saving equipment at YAMADA DENKI stores	Average closing cost per store: ¥15 m
Market	Climate change	Changes in customer behavior	Short-term	• Longer replacement cycles for durable consumer goods (mainly home appliances and furniture), leading to drop in net sales	High	• Encouraging all employees to understand and acquire knowledge about energy-saving through the in-house SDGs Meister System qualification so they can provide explanations to consumers and encourage them to switch to more energy-efficient products that will contribute to a decarbonized/low-carbon society • Promoting widespread use of energy-saving home appliances through active participation in local government subsidies to replace products for energy-saving home appliances • Responding to the risk of rising procurement costs by further streamlining procurement and delivery • Promoting widespread use of products that contribute to building a low-carbon society	One-year increase in unit sales -9% Amount -¥35.4 bn
Reputation	Climate change and natural capital	Decrease in sales due to inadequate response to climate change and nature-positive initiatives	Short- to medium-term	• Recognized by consumers as not eco-friendly enough, resulting in drop in net sales	Medium	• Appropriate communication with consumers • Paying close attention to consumers' environmental awareness • Strengthening responsiveness by expanding the segments subject to TNFD compliance	—
	Climate change and natural capital	Fewer customers visiting stores due to declining quality and safety of products	Short- to medium-term	• Decrease in customers visiting stores due to declining quality and safety of the products we handle	High	• Establishing a monitoring system for product manufacturing • Mainly selects ISO 9001-certified companies as manufacturers for SPA products	—
	Climate change and natural capital	Stronger demands for disclosure	Short- to medium-term	• Disclosure of initiatives for climate change and nature-related issues rated insufficient by stakeholders, resulting in a fall in stock prices	Medium	• Appropriate disclosure in line with TCFD and TNFD frameworks	—

Physical risks

Category	Subcategory	Items	Time scope	Effect on business	Impact level	Response	Business impact
Acute	Climate change and natural capital	Business suspension due to climate change	Short-term	• Stores affected by extreme weather and opportunities lost due to closures • Store closures and fewer customers visiting stores due to natural disasters (torrential rain, bigger typhoons, etc.) caused by climate change	High	• Sharing knowledge about natural disaster responses • Stockpiling disaster supplies in stores • Regular review and revision of the business continuity plan (BCP) management rules in preparation for large-scale disasters • Implementation of fire drills and manual-based training at the headquarters and each store	—
	Climate change and natural capital	Damage to our locations due to extreme weather	Short-term	• Increased capital investment for recovery from damage due to typhoons, torrential rain, etc.	High	• Sharing knowledge about natural disaster responses • Appropriate insurance coverage	—
	Climate change and natural capital	More extreme weather	Short-term	• Damage or suspension of business due to natural disasters at stores, sales offices, or plants, and disrupted distribution and transportation networks, resulting in drop in net sales	High	• Considering location and layout of new stores and show homes on the basis of possible flood damage • Strengthening measures against water risks at stores and show homes based on results of water risk assessment • Created recovery manuals in the event that stores/sales offices/plants stop functioning • Formulating BCP for procurement and distribution systems • Use of IT in operations and business negotiations • Increasing product inventories	1 day suspension of business: -¥0.9 bn
Chronic	Climate change and natural capital	Changes in precipitation/ weather patterns	Short-term	• Damage or suspension of business due to heavy rain at stores, sales offices, or plants, and disrupted distribution and transportation networks, resulting in drop in net sales	High	• Considering location and layout of new stores and show homes on the basis of possible flood damage • Strengthening measures against water risks at stores and show homes based on results of water risk assessment • To respond to more extreme natural disasters, assessing the degree of danger at locations using hazard maps and other means, formulating BCP in readiness for disasters	1 day suspension of business: -¥0.9 bn
				• Changes in vegetation and timber procurement areas lead to increased timber procurement costs	High	• Securing timber suppliers in readiness for forest protection	Maximum +¥4.7 bn
	Climate change	Rise in average temperatures	Long-term	• Customers less likely to go out, refraining from purchasing in store	High	• Strengthening sales channels with e-commerce • Use of IT for online consultations and business negotiations	Extreme heat for 20 days: -¥0.4 bn

Opportunities

Category	Subcategory	Items	Time scope	Effect on business	Impact level	Response	Business impact
Resource efficiency	Climate change	Cost reduction through the introduction of renewable energy	Short- to medium-term	• Decrease in energy costs by actively implementing various climate change–related incentives to introduce renewable-energy and energy-saving equipment	High	• Introduction of solar power systems utilizing store rooftops (contributing to the reduction of environmental impact through the sale of electricity) • Introduction of self-consumption solar power systems utilizing store rooftops (reducing electricity usage)	Electricity sales results: Approx. 50,000 MWh Annual fees for electricity usage: -¥0.15 bn
	Natural capital	Efficient use of water resources	Short- to medium-term	• Reduced water costs by introducing water-saving equipment	Medium	• Introduction of water-saving equipment in stores	—
	Natural capital	Effective use of reuse and recycling	Short- to medium-term	• Increased net sales due to the recycling of customers' home appliances	High	• Further promotion of the building of a circular economy by expanding reuse and recycling plants	Sales volume: +300,000 units Net sales: +¥5.5 bn
Products and services	Climate change	Rollout of low-carbon and decarbonized products and services	Short-term	• Increased net sales due to promotion of energy-saving home appliances	High	• Sale of home appliances (TVs, refrigerators, and air conditioners) that meet the 100% energy-saving standard under the energy-efficiency labeling system • Providing more economic support through financial services such as flat-rate systems	Increased customer traffic and sales
	Climate change and natural capital	Changes in consumer preferences	Short-term	• Increased sales due to increased demand for eco-friendly products and services	High	• Strengthening the handling of eco-friendly products and services in all business segments • Sales of YAMADA GREEN-certified products aimed at realizing a circular economy and building a sustainable society	Net sales: +¥10.5 bn
			Short-term	• Increased sales due to changing consumer demand caused by rising average temperatures	High	• Developing Sales Engineers and promoting the acquisition of external qualifications • Enhancing information-gathering activities pertaining to consumer needs	—
	Climate change and natural capital	Increased demand for natural disaster preparedness products	Short-term	• Increased sales due to growing demand for natural disaster preparedness products (storage batteries, flashlights, lanterns, etc.)	Medium	• Expanding handling of disaster preparedness products	Net sales: +¥2.5 bn
	Climate change and natural capital	Responding to more severe viruses and biohazards	Short- to medium-term	• Increased demand for reducing the risk of new viral infections and exterminating harmful organisms	Medium	• Building systems that enable prompt responses • Strengthening information-gathering and the promotion of related products	—
Reputation	Climate change and natural capital	Ensuring business continuity during disasters	Short-term	• Improved reputation by establishing resilient business that is prepared for natural disasters	Medium	• Regular review and revision of the BCP management rules in preparation for large-scale disasters • Investigation of disaster risks when opening new locations • Implementation of fire drills and manual-based training at the headquarters and each store	—

*Target: Consumer Electronics Segment (stores in Japan)

Reduction of CO_2 Emissions (Scope 1, 2)

CO_2 emissions (Scope 1, 2)

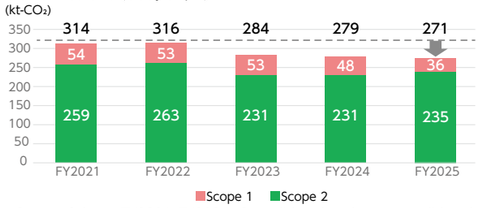
The total volume of Scope 1 and 2 emissions in our Group for FY2025 decreased by 13.6% compared to FY2021.

Reduction of CO_2 emissions in Scope 1 and 2

Target	FY2025 Results
42% reduction by the end of FY2031 (compared to FY2021)	Compared to FY2021 Down 13.6%

CO_2 emissions (Scope 1, 2)

(kt-CO_2)



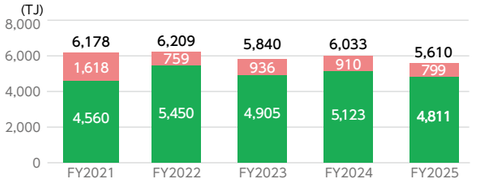
<Scope of data> FY2021–FY2024: Consolidated and non-consolidated, FY2025: Consolidated

Efforts to reduce energy use

Our Group is continually and proactively working on initiatives to reduce CO_2 emissions associated with its business activities. YAMADA DENKI is implementing energy-saving activities, such as switching to LED lighting in its offices and stores, and working to visualize its electricity usage amounts through the use of an app that analyzes electricity consumption in relation to equipment and time by using demand controllers. When developing new stores, we build single-story structures without installing escalators or elevators, improving thermal insulation by reducing the number of windows, and reducing energy use by replacing mercury lamps with LEDs for exterior lighting. Comparing the electricity usage per 3.3 m^2 between stores that were built 23 years ago on average and those built 8 years ago on average, the stores with an average age of 8 years showed a reduction in electricity usage of about 15% (as of March 2023). Moreover, since June 2022, we have been working to save power in our YAMADA DENKI stores in response to the government's request to cut down on electricity.

Energy use

(TJ)



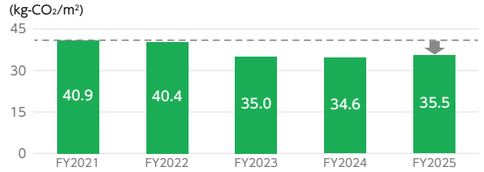
<Scope of data> FY2021–FY2024: Consolidated and non-consolidated, FY2025: Consolidated

Reduction of CO_2 emissions from electricity use per floor area

Target	FY2025 Results
53% reduction by the end of FY2031 (compared to FY2021)	Compared to FY2021 Down 13.2%

CO_2 emissions from electricity use per floor area

(kg-CO_2/m^2)



<Scope of data> FY2021–FY2024: Consolidated and non-consolidated, FY2025: Consolidated

Expanding the use of renewable energy

In order to reduce CO_2 emissions from electricity use, 3.92% of all electricity comes from renewable energy sources. Since FY2009, YAMADA HOLDINGS has been using green power, and 100% of the power used at the headquarters building in Takasaki City is green power.

In June 2023, solar panels were installed at the YAMADA East Japan Reuse Center Gunma Plant to provide approximately 55% of the electricity used in plant operations.

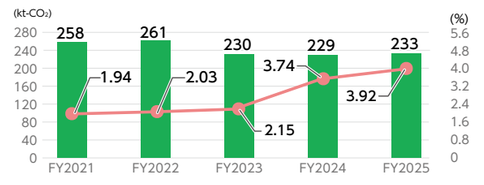
In addition, our Solar Panel Project has been installing self-consumption solar panels on the roofs of our stores since December 2024. In FY2026, we plan to invest 1 billion yen and install the panels at 27 stores, and we expect to see a reduction in CO_2 emissions of about 3,200t a year. We will be installing the panels at more stores from the following fiscal year.

YAMADA East Japan Reuse Center Gunma Plant

Percentage of renewable energy out of total power consumption

Target	FY2025 Results
FY2031 38%	3.92%

CO_2 emissions from electricity use and renewable energy rate



<Scope of data> FY2021–FY2024: Consolidated and non-consolidated, FY2025: Consolidated

Reduction of Scope 3

CO_2 emissions (Scope 3)

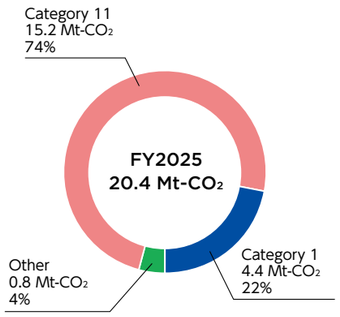
Our Group calculates CO_2 emissions for the entire supply chain in order to reduce the environmental impact in all its business activities. Of the Scope 3 emissions for FY2025, use of sold products (Category 11) accounted for the largest share at 74% of the total, followed by purchased goods and services (Category 1) at 22%. We will continue to monitor and reduce CO_2 emissions throughout the supply chain.

CO_2 emissions (Scope 3)

Scope 3		Associated activity	FY2025 emissions
Category 1	**Purchased goods and services**	Procurement of raw materials	**4.4 Mt-CO_2**
Category 2	**Capital goods**	Expansion of capital goods and production facilities	**161 kt-CO_2**
Category 3	**Fuel- and energy-related activities not included in Scope 1 or 2**	Fuel- and energy-related activities	**45 kt-CO_2**
Category 4	**Upstream transportation and distribution**	Procurement distribution/Contracted distribution where Yamada is shipper	**322 kt-CO_2**
Category 5	**Waste generated in operations**	Waste generated from operations	**87 kt-CO_2**
Category 6	**Business travel**	Employee business travel	**9 kt-CO_2**
Category 7	**Employee commuting**	Workers commuting	**26 kt-CO_2**
Category 11	**Use of sold products**	Use of products by consumers	**15.2 Mt-CO_2**
Category 12	**End-of-life treatment of sold products**	Disposal of products by end user	**145 kt-CO_2**
Category 14	**Franchises**	Scope 1 and 2 emissions of franchisees	**1 kt-CO_2**
Total			**20.4 Mt-CO_2**

<Scope of data> FY2025: Consolidated

Breakdown of Scope 3 emissions



Business initiatives

P.22 Commentary: Yamada's "Total-Living"

P.28 Yamada's Next-Generation Smart House That Excels in Energy Creation, Energy Storage, and Energy Saving

Promoting the use of energy-efficient appliances

At YAMADA DENKI, employees and Sales Engineers with extensive product knowledge recommend replacing home appliances with energy-efficient ones when serving customers. Additionally, "unified energy-saving labels" are posted near the relevant products so customers can easily find energy-saving home appliances.

Percentage of home appliances (TVs, refrigerators, and air conditioners) sold that meet the 100% energy-saving standard under the energy-efficiency labeling system

Target	FY2025 Results
FY2031 60%	44.8%

Sales of disaster preparedness products

The Group sees the promotion of disaster preparedness products as an opportunity to address climate change while responding to risks such as natural disasters. Sales for FY2025 totaled ¥2,542 million, resulting in a year-on-year increase.

Sales of disaster preparedness products (emergency supplies and portable power supplies, etc.)

Target	FY2025 Results
Every year Increase on previous fiscal year	Up 27.8%

Sale of YAMADA GREEN-certified products

In July 2021, our Group created the YAMADA GREEN logo as a symbol of our further contributions and initiatives toward realizing a circular economy and building a sustainable society. We have established the YAMADA GREEN Certification System, which allows the display of the logo on products, initiatives, and reused products that meet our own environmental standards (not applicable to energy-saving home appliances). For FY2025, the sales of YAMADA GREEN-certified products amounted to ¥10,587 million, significantly exceeding the previous period.

Information about YAMADA GREEN
https://www.yamada-holdings.jp/csr/green.html
(in Japanese only)

Sales of YAMADA GREEN-certified products

Target	FY2025 Results
Every year Increase on previous fiscal year	Up 175.4%

Promotion of improving the ZEH rate

YAMADA HOMES is striving to provide eco-friendly housing and services to promote the widespread adoption of net zero energy houses (ZEH), while also aiming to protect the global environment and realize a comfortable and prosperous life for customers by promoting a lifestyle that does not waste energy.

ZEH supply rate

Target	FY2025 Results*
FY2031 50%	45%

ZEH rate of homes sold by YAMADA HOMES*

Feb. 2020	Feb. 2021	Feb. 2022	Feb. 2023	Feb. 2024	Feb. 2025
13%	17%	25%	27%	41%	45%

* Results are aggregated from March 1 to February 28 of the following year in accordance with YAMADA HOMES' fiscal year.

Providing resilient homes equipped with solar power

Our Group aims to popularize resilient homes equipped with solar power systems and storage batteries, and actively promotes the installation of solar panels not only in new homes but also in renovation proposals. By visualizing the output of the solar power system and electricity usage with the home energy management system (HEMS) monitor, it is also expected to raise awareness about saving energy without wasting the energy created.

Moving forward, we will further contribute to building a safe and secure society through proposals such as YAMADA HOMES' YAMADA Smart House and our Energy Revolution Z, which combines the Hinokiya Group's solar systems, vehicle-to-home equipment, and high-performance storage batteries.

Solar panels shipped

Target	FY2025 Results
FY2031 50,000panels	32,941panels

Promotion of energy conservation in distribution

In YAMADA DENKI's logistics operations, we request subcontractors and partner companies to cooperate with turning off vehicles when stopped. We are maintaining a high implementation rate of over 98% for FY2025. We are also promoting eco-friendly logistics by reducing the number of vehicles used by devising load capacity, shortening vehicle mileage in product delivery by utilizing an efficiency system for inter-store transfers, and testing the effectiveness of five electric vehicles in stores on a trial basis.

Water Resource Conservation

Our Group manages water treatment properly during the reuse process in environmental projects, striving to conserve water resources by reducing water usage through recycling and other means. Our reuse production plants consume approximately 30,000 m^3 of water annually. Our automatic washing tub cleaners adopt a recycling system that filters and reuses hot water without using detergents. Hypochlorous acid water is used for refrigerator disinfection, aiming to reduce environmental impact. We will continue to focus on water resources initiatives, working to maintain and manage the natural environment to preserve biodiversity.

Development, distribution and maintenance of eco-friendly septic tanks that meet social demands

Housetec, which has housing and environmental equipment as one of its core businesses, is engaged in the water environment business and is focusing on the development and sale of septic tanks.

The installation of septic tanks for new home builds is stipulated in law in Japan (excluding planned sewerage treatment areas). As such, single-type septic tanks that handle only wastewater from toilets, and combined-type septic tanks that treat all domestic wastewater, including from the kitchen and bathroom, have become widely used.

The revised Johkasou (septic tank) Act that came into effect in 2020 encourages existing single-type septic tanks to be converted into combined-type. The combined-type septic tank developed by Housetec is designed to replace single-type septic tanks, achieving space efficiency. In addition to its energy-efficient design, it uses lightweight and highly durable DCPD* resin, providing strong resistance to disasters such as earthquakes, with a proven track record of installation in various locations.

Our Group companies Nikka Maintenance and Chubu Nikka Service are involved in the maintenance, inspection, and installation of septic tanks, supporting our customers' living environments. We will continue to focus on the development, dissemination, and maintenance of eco-friendly septic tanks, aiming to further improve water environments and promote biodiversity through water conservation efforts.

* DCPD: Dicyclopentadiene

Combined treatment septic tank Haibakki KRS type

KRS structural diagram