FCL COMPONENTS

FCL Components Group

Environmental Report FY2025

The FCL Components Group recognizes environmental management as one of its most important roles and contributes to building a sustainable society. It participates in global environmental conservation efforts by striving to reduce the harmful environmental impact generated by the products or services offered throughout its business activities.

1. Greeting

Since 1998, FCL Components Group has been implementing initiatives to reduce our environmental impact under the philosophy of “caring for the environment and conducting better corporate activities.”

The global average temperature has risen by approximately 1.1℃ (as of 2020) compared to pre-industrial levels, a change linked to the growing frequency of meteorological disasters worldwide. To prevent such crises, more than 120 countries and regions are aiming to achieve carbon neutrality by 2050.

Last year, FCL Components Group issued a “Carbon Neutral Declaration.” We’ve set a target to reduce greenhouse-gas emissions to net zero by fiscal year 2050 and have already begun taking concrete steps. In addition to traditional energy-saving measures, we’re introducing renewable energy sources and utilizing non-fossil energy certificates (renewable energy designation).

In product development, we promote solutions that not only minimize our own environmental footprint but also help customers reduce theirs and advance carbon neutrality. Examples include high-capacity DC load-switching relays for green markets - ZEH (Net Zero Energy House) and EV/PHV—and wireless modules for smart homes. For every product, we’re committed to improving energy and resource efficiency throughout its life cycle and to complying fully with chemical-substance regulations.

Kenji Komatsu
Representative Corporate Officer, President

FCL Components Group will continue collaborating with our management, employees and their families, customers, business partners, national and local government bodies, and community stakeholders to meet our environmental goals and safeguard the global environment.

*1; Net-zero greenhouse gas emissions: achieving a balance between the greenhouse gases released (including CO_2) and the amount removed or absorbed, so there is no net increase in overall emissions.

2.Group Profile

Head Office address	FCL COMPONENTS LIMITED Shinagawa Seaside Park Tower, 12-4, Higashi-shinagawa 4-chome, Shinagawa-ku, Tokyo 140-0002, Japan
Representative Corporate Officer	Kenji Komatsu, Representative Corporate Officer, President
Founded	October 1, 2001
Main Business	Manufacturing and sales of relays, keyboards, touch panels, thermal printers, wireless modules, KVM solutions, cross technology products (unit products)
Capital	90 million yen
Capital surplus	12,810 million yen (as of March 30, 2025)
Financial Year End	March 31
Employees	1,695 (consolidated as of March 31, 2025)
Group Composition	The Group is composed of a total 10 companies: 3 Japanese companies including 1 sales company, and 7 overseas companies including 5 sales companies

3. Environmental Policy & Environmental Protection Program

■ FCL Components Group Environmental Policy

Principle

The FCL Components Group recognizes the value and importance of protecting the global environment as one of its foremost priorities. Our environmental philosophy is: We are committed to conducting exemplary corporate activities while enhancing our coexistence with the environment. As a company engaged in the development, design, manufacturing, and sale of electrical components, we advocate for the implementation of an Environmental Management System (EMS) per ISO 14001, aiming to contribute to the achievement of carbon neutrality for climate control and a prosperous society aligned with the Sustainable Development Goals (SDGs).

Action Guidelines

- We recognize the global environment as one of the most important issues and continuously improve our environmental management system through our activities, products, and services.
- We strive to achieve a sustainable society through environmental initiatives for future generations.
- We offer products that contribute to both business growth and environmental protection.
- We comply with all relevant environmental laws as they apply to our activities, products, and services.
- We comply with the various environmental laws as they apply to our activities, products and services.
- We strictly prohibit hazardous substances in our products and refrain from discharging any hazardous substances into the environment, as stipulated by the FCL Components Group.
- Every employee is committed to improving the environment, including the use of sustainable resources, promoting carbon neutrality for climate control, conserving biodiversity both at work and at home, and extending these efforts to society.

Priority items

We prioritize the following items related to the environmental aspects of our products and services:

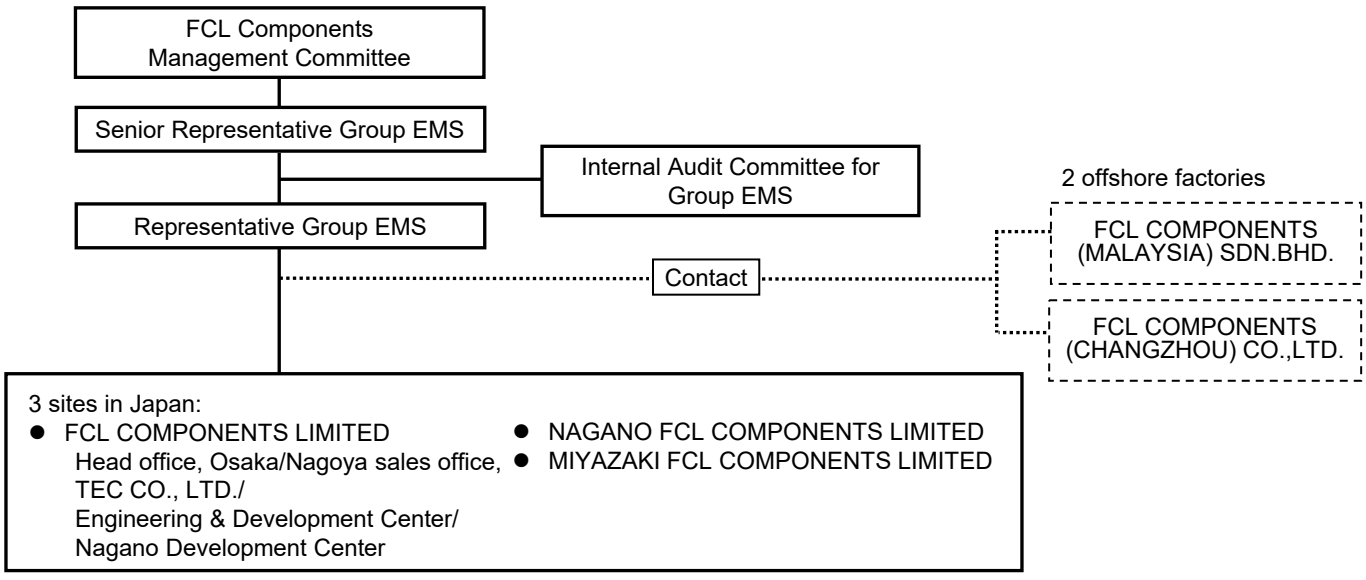
1. Improvement of environmental impact throughout the product lifecycle and regulatory compliance concerning chemical substances contained in products
2. Promotion of activities that lead to social/community contribution and ecosystem protection
3. Promotion of carbon neutrality through increased use of renewable energy and reduction of energy consumption per unit
4. Reduction of industrial waste emissions per unit

Supplement

This policy is communicated to our employees, group members, and all relevant stakeholders.
Our Analytical Engineering Department is responsible for the Environmental Policy.

April 1, 2025
FCL Components Group
EMS Management

4. Organization for Environmental Activities



5. The 9th stage Group Environmental Protection Program (FY2022 to FY2024)

FCL Components Group has launched the ninth stage of its Environmental Protection Program and commenced corresponding activities. We have met our targets for environmentally friendly products, social contribution initiatives, and waste reduction.

Item	The 9th Stage Group Environmental Protection Program Goals	FY2024	
		Target	Result
Social contribution activities	**Improvement of environmental value throughout production life cycle** 10 or more products which satisfy one of below to be developed by end of FY2024. (1) Product to lead in energy-efficiency (*1) (2) Product's resource efficiency (*2) is increased by 1% or more (3) Development of new technology leading to improvement of energy or resource efficiency (4) Product's energy or resources efficiency is increased by improving manufacturing processes	3 products	4 products
	Promotion of social contribution activities Promote activities to solve social and environmental issues.	23 activities	25 activities
Own business activities	**Improvement of energy efficiency** Based on the Energy Conservation Act, we will improve specific energy consumption unit in facilities by an average of 1% per year from the average of the last 5 years results (*3).	See table 1	
	Control on waste emission We will reduce specific waste unit to less than the average for the last five years.(*4)	See table 2	

Table 1: Specific energy consumption unit FY2024 targets and results

Site name	Calculation formula	FY2024 target (*5)	FY2024 result
FCL COMPONENTS	$\frac{\text{Energy consumption (t-CO}_2\text{)}}{\text{Sales amount (million yen)}}$	Max.1.072	1.123
NAGANO FCL COMPONENTS	$\frac{\text{Energy consumption (t-CO}_2\text{)}}{\text{Sales amount (10 million yen)}}$	Max. 2.400	2.161
MIYAZAKI FCL COMPONENTS	$\frac{\text{Energy consumption (t-CO}_2\text{)}}{\text{Production quantity (thousand pcs)}}$	Max. 953	973

Table 2: Specific waste unit FY2024 targets and results

Site name	Calculation formula	FY2024 targe (*5)	FY2024 result
FCL COMPONENTS	$\frac{\text{Waste amount (kg)}}{\text{Sales amount (million yen)}}$	Max. 81.8	077.0
NAGANO FCL COMPONENTS	$\frac{\text{Waste amount (kg)}}{\text{Sales amount (million yen)}}$	Max. 17.5	016.7
MIYAZAKI FCL COMPONENTS	$\frac{\text{Waste amount (kg)}}{\text{Production quantity (million pieces)}}$	Max. 336.9	319.5

*1: The products meet the criteria which is ranked at the top level in the market, including leading products (world-first, industry-first, world-best, industry-best) in energy efficiency.

*2: Improvement of product's resources (smaller, lighter, thinner, reducing number of parts) or resource circulation (reducing waste amount, recycle capability).

*3: Specific energy consumption unit = energy consumption amount (Kl crude oil equivalent) / production amount (industrial output amount or quantity). CO_2 conversion factor shall be the latest one published under the Energy Conservation Act.

*4: Specific waste unit = waste emission amount (t) / production amount (industrial output amount or quantity)

*5: Target was calculated based on the average of the last five years.

*6: Planned values were reviewed during the period.

6. The 10th Stage Group Environmental Protection Program (FY2025 to FY2027)

The FCL Components Group has launched the 10th Stage of its Environmental Protection Program and has commenced activities accordingly.

Item	The 9th Stage Group Environmental Protection Program Goals	FY2025 Target
Social contribution activities	Enhancing environmental value across the product life cycle and ensuring compliance with laws and regulations on chemical substances in products. 1. 10 or more products which satisfy one of below to be developed by end of FY2027. (1)) Product to lead in energy-efficiency (*1) (2) Product's resource efficiency (*2) is increased by 1% or more (3) Development of new technology leading to improvement of energy or resource efficiency (4) Product's energy or resources efficiency is increased by improving manufacturing processes 2. Providing products that comply with laws and regulations governing the chemical substances they contain.	3 products
	Promotion of social contribution and ecosystem protection activities Promoting social contribution and ecosystem protection activities.	27
Own business activities	Promotion of expanding the use of renewable energy and carbon neutrality by reduction of specific energy consumption unit. 1. Increase the share of renewable energy use. 2. Implement measures to reduce the specific energy consumption unit (*3) by at least 1% compared to the five-year average.	See table 3
	Control on waste emission We will reduce specific waste unit to less than the average for the last five years.(*4)	See table 4

Table 3: Number of carbon neutral promotion measures
We will promote the use of renewable energy and implement measures to reduce greenhouse gas emissions.

Site name	FY2025 target
FCL COMPONENTS	3
NAGANO FCL COMPONENTS	6
MIYAZAKI FCL COMPONENTS	6

Table 4: Specific waste unit FY2023 targets and results

Site name	Calculation formula	FY2025 target (*5)
FCL COMPONENTS	$\frac{\text{Waste amount (kg)}}{\text{Sales amount (million yen)}}$	Max. 82.7
NAGANO FCL COMPONENTS	$\frac{\text{Waste amount (kg)}}{\text{Sales amount (million yen)}}$	Max. 16.6
MIYAZAKI FCL COMPONENTS	$\frac{\text{Waste amount (kg)}}{\text{Production quantity (million yen)}}$	Max. 330.4

*1: The products meet the criteria which is ranked at the top level in the market, including leading products (world-first, industry-first, world-best, industry-best) in energy efficiency.
*2: Improvement of product's resources (smaller, lighter, thinner, reducing number of parts) or resource circulation (reducing waste amount, recycle capability).
*3: Specific energy consumption unit = energy consumption amount (Kl crude oil equivalent) / production amount (industrial output amount or quantity). CO_2 conversion factor shall be the latest one published under the Energy Conservation Act.
*4: Specific waste unit = waste emission amount (t) / production amount (industrial output amount or quantity)
*5: Target was calculated based on the average of the last five years.

7. Environmental Activities

Development of Eco-friendly Products

We are dedicated to developing and offering eco-friendly products that enhance both environmental and commercial aspects.

Highlights of new Developments

KVM Solution

KVM Solution

Touch panel

Improvement	Products	Details of improvement	Improvement ratio (compared to our conventional products)
Energy efficiency	KVM Solution	Power consumption savings through circuit design review (KVM Extenders)	10% reduction in power consumption
Resource efficiency	KVM Solution	Improving product life span and operability (KVM Extenders)	Service life extended from 5 to 10 years
	Touch panel	Weight reduction by eliminating the protective film, enabled by ITO film's superior surface slipperiness (Resistive touch panels)	5% reduction in weight
Energy and resource efficiency	Keyboard	Reducing costs and improving manufacturing efficiency by minimizing part count (Operation panels)	Reducing power consumption of electric screwdrivers to fix the screws. (Number of reduced screws: 18,000 pieces/year) (Reduced power consumption: 1,000Wh/year)

Status of Social Contribution Activities

Each group company engages in social contribution activities to foster harmony with local communities and preserve biodiversity, including the eradication of invasive plant species.

Major Activities

Nagano FCL Components (Iiyama, Nagano)
Food Drive Promotion
(Donation to the Iiyama Social Welfare Council)

Head office (Shinagawa, Tokyo)
Donation of contact lens cases

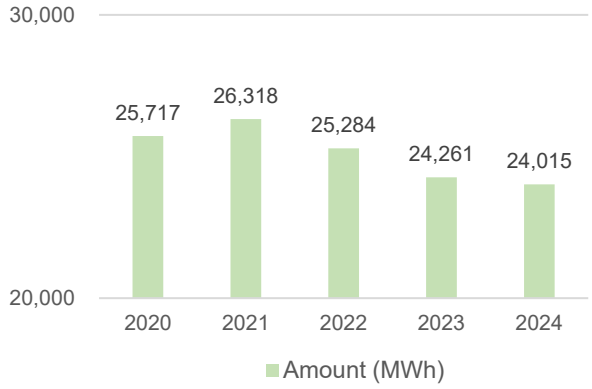
Nagano FCL Components (Iiyama, Nagano)
Iiyama Flower Road Project Participation

Miyazaki FCL Components (Nichinan, Miyazaki)
Cleaning up around the factory

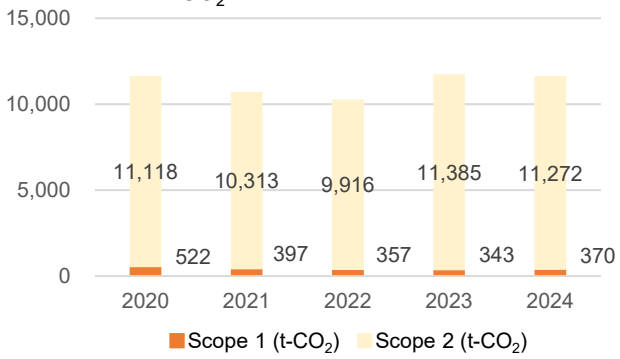
Global Warming Prevention Activities (Reduction of Energy Origin CO2, Improvement of Energy Efficiency)

FCL Components Group continues working to reduce its consumption of fossil fuels-such as electricity, heavy oil, and LPG. In FY 2024, we also launched measures toward achieving carbon neutrality by FY 2025, including the purchase of non-fossil certificates to track our use of renewable energy. Furthermore, we are intensifying efforts to cut water consumption, including groundwater usage.

Transition of total energy consumption amount

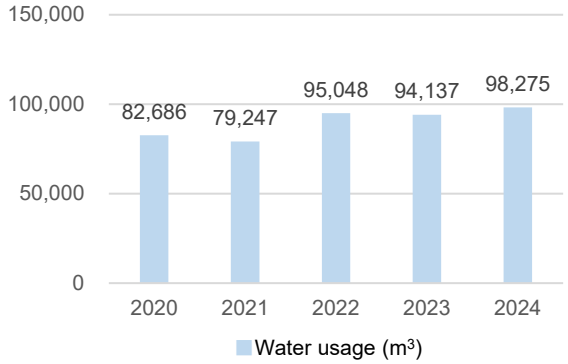


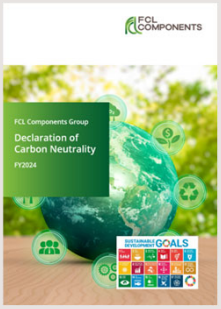
Transition of CO_2 emission



Scope 1: Direct emissions by own company emissions
Scope 2: Indirect emissions associated with the use of electricity, heat and steam supplied by external companies

Transition of water usage





Carbon Neutrality

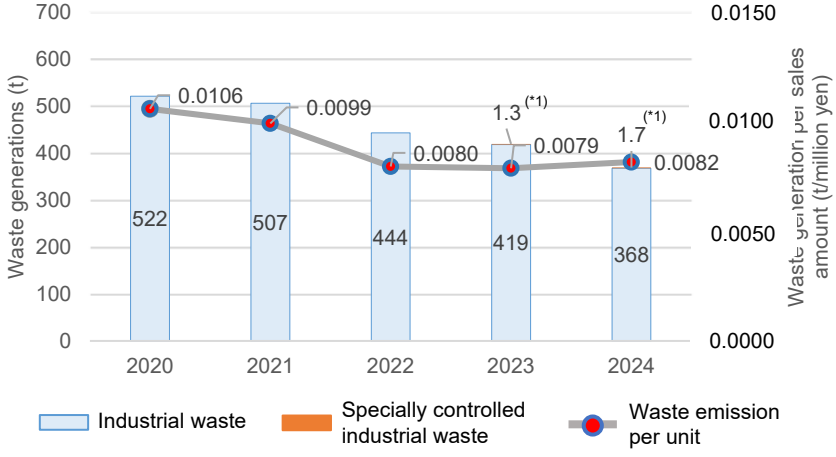
FCL Components Group
Declaration of Carbon Neutrality
https://www.fcl-components.com/downloads/MICRO/fcai/carbon-neutrality-2024en.pdf

Note 1: CO_2 emission factors were revised in accordance with those published by the Environment Government of Japan.
Note 2: The graphs do not include Chikuma Tsushin Kogyo that has left the group in 2023.

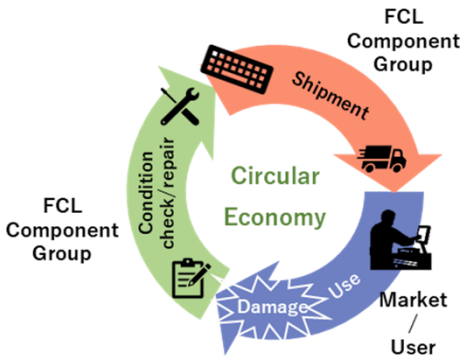
Managing Industrial Waste Reduction and Promoting Circular Economy Initiatives

This initiative centers on implementing the principles of the 3Rs (Reuse, Reduce, and Recycle), waste separation, and promoting recycling and reuse practices among all employees. By minimizing waste and encouraging its recycling or reuse, our goal is to reduce environmental impact. Additionally, our Nagano FCL Components Repair Center offers repair services for keyboards, thermal printers, and KVM solutions, supporting a circular economy by extending the lifecycle of products.

Transition of industrial waste reduction



Long-term use of products through repair service



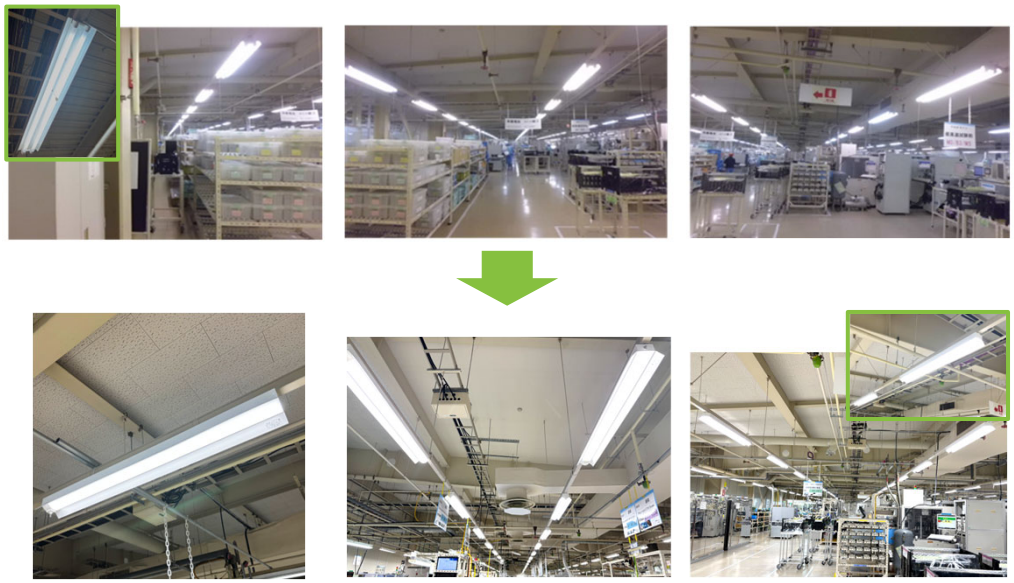
*1: Specially controlled industrial waste that is explosive, toxic, infectious, or has other properties that may cause damage to human health or the living environment is distinguished from ordinary waste. (From FY2023)

Topics

Enhancing Energy Efficiency: Cutting Power Consumption with LED Lighting and Minimizing Air Conditioner Energy Use via Static Elimination

Three sites in Japan are promoting energy-saving activities to reduce CO_2 emissions. In FY 2024, Nagano FCL Components introduced LED lighting on its manufacturing lines and installed static-elimination sheets on large air conditioners to lower power consumption.

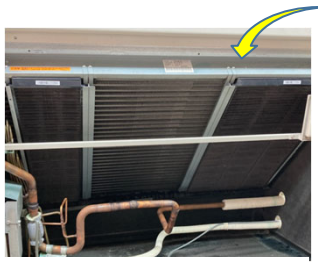
■ Conversion of Manufacturing Lines to LED Lighting



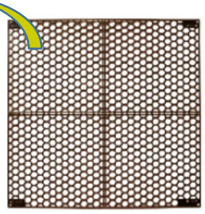
180 fluorescent light fixtures were converted to LED lighting

Annual power consumption (MWh)	
Before	58.140
After	17.253
Reduced power	▲40.887

■ Installation of static electricity removal sheets on large air conditioners



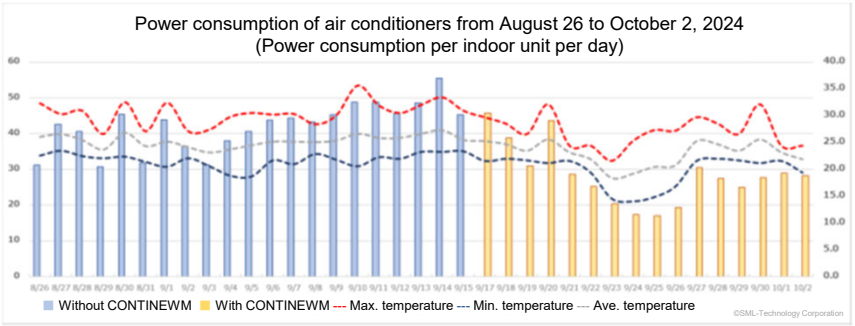
Installation



Static electricity removal sheet

Installation of static electricity removal sheets on large air conditioners

Power consumption (kW)	
Before	1.96
After	1.75
Energy saving rate	10.7%



- CONTINEWM is an energy saving product that improves airflow by reducing static electricity of air conditioners and improve heat exchange efficiency.
- CONTINUEM® is a trademark of CONTINEWM Co., Ltd.

8. Chemical Substances Contained in Products

Management of Chemical Substances Contained in Products

All materials are purchased under the Common Environmental Purchasing Specifications, and FCL Components Group specified banned materials are checked by certification of compliance and chemSHERPA (*1) . Phthalic acid ester, which was added under the revised European RoHS directive, is analyzed by Gas Chromatograph Mass Spectrometry and other methods inside our company. In addition, we have established a management system for pollution control in production sites and suppliers and check products' compliance.

*1: A scheme that facilitates sharing information on chemical substances in products conducted by Ministry of Economy, Trade and Industry. (Abbreviation of Chemical Information Sharing and Exchange under Reporting Partnership in supply chain).

Green Procurement

We ask all supply partners to build an environmental management system as well as prevention of global warming and biodiversity program to further the reduction of the environmental impact throughout the supply chain.

9. Actions to High-Risk Minerals

The FCL Components Group promotes the investigation of the High Risk Minerals (*1) in line with OECD Due Diligence Guidance. We use the 'Responsible Materials Initiative (RMI) for conflict minerals and cobalt' reporting template for these investigations. We will continue the activities to smelting manufacturers and to improve transparency of supply chain to provide reliable information for the customers.

(Note 1) Investigate and identify tantalum, tin, gold, tungsten, cobalt and mica.

10. Third-Party Evaluations

ISO14001:2015

FCL Components Group obtained ISO14001:2015 in FY2016 and has since maintained efforts to reduce our environmental footprint.

EcoVadis Sustainability Evaluation

We had achieved a Bronze rating in the EcoVadis assessment (Headquarters: France).

Our environmental initiatives received particularly high scores.

Contact

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Published by: Business Planning Section, Business Promotion Division
Edited by: Marketing Section, Sales Division
Published on August 26, 2025
Period of report April 1, 2024 to March 31, 2025 (including FY2025 plans)